

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

What you do with your money  
can wreck you (*and your Uncle Sam*)



**BUY, BUY, BUY!** Foolish people are doing it, overdoing it. But sensible folks know that with every needless purchase—or every time you patronize a black market or buy above ceiling—you do your bit to force prices up all along the line. That's the way inflation gets a boost.



**IT CAN HAPPEN HERE**—again! Today, with fewer goods in the stores while incomes are high, the danger of inflation is greater than ever. Inflation is always followed by depression. What can you do to head off another depression? Buy nothing you do not really—*really*—have to have . . . today.



**SAVE, SAVE, SAVE!** That's the way to make America good for the boys to come home to. Pay up debts, put money in life insurance, savings bank, War Bonds. Every cent you save now helps to keep prices down—and when the war is won you'll have use for that nest egg you've laid away.



**A HOME OF YOUR OWN**, a better farm, a real vacation, something to retire on—these are things worth saving for. Store up your money now while prices are high. There's a time to splurge and a time to save: today, while money's coming in, is a good time—the right and patriotic time—to **SAVE!**

## 4 THINGS TO DO to keep prices down and help avoid another depression

1. Buy only what you really need.
2. When you buy, pay no more than ceiling prices. Pay your ration points in full.
3. Keep your own prices down. Don't take advantage of war conditions to ask more for your labor, your services, or the goods you sell.
4. Save. Buy and hold all the War Bonds you can—to help pay for the war, protect your own future! Keep up your insurance.

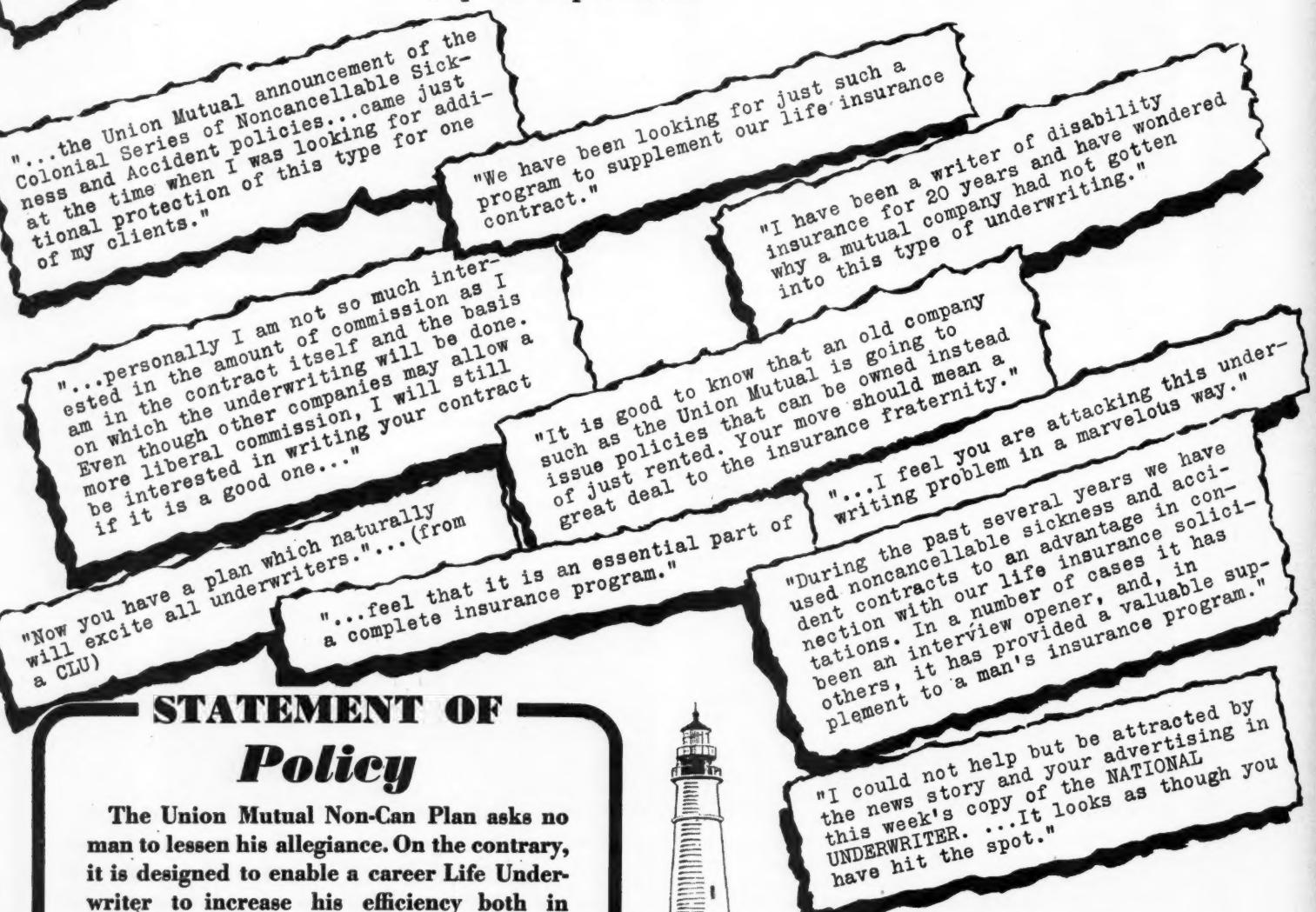


A United States War message prepared by the War Advertising Council; approved by the Office of War Information; and contributed by this magazine in cooperation with the Magazine Publishers of America

FRIDAY, MARCH 9, 1945

# You Are Hereby Cordially Invited to Read Our Mail

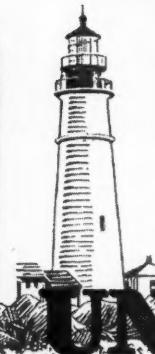
It's not often that an insurance company advertisement brings in fan mail, but that's exactly what happened after we announced our new Colonial Series of *noncancelable, guaranteed renewable* Sickness and Accident Policies. The flood of letters we've received from full-time, career life underwriters confirms our belief that this new plan answers a very definite need by enabling the underwriter to increase his service to his clients through the completion of their personal protection.



## STATEMENT OF Policy

The Union Mutual Non-Can Plan asks no man to lessen his allegiance. On the contrary, it is designed to enable a career Life Underwriter to increase his efficiency both in representing his present company and in rendering a *complete* personal insurance service to his client.

Union Mutual's Non-Can Sickness and Accident Policies are sold only through selected full-time career Life Underwriters. Write us today for "The Whole Story," containing all the details about our new Colonial Series.



## UNION MUTUAL LIFE INSURANCE COMPANY

Portland MAINE Home Office

Rolland E. Irish, President

*The ninth oldest life insurance company in America*

## Five Companies Contest Ohio Tax in Suits

### Other States Take Action on Equalization Measures

COLUMBUS, O.—Although at least eight foreign companies have served notice that they intend to pay their Ohio premium tax under protest, only five have brought suit. They are: Connecticut Mutual, \$31,234 taxes paid; Phoenix Mutual, \$15,207; Pacific Mutual, \$28,240; Massachusetts Mutual, \$62,141, and Prudential, \$593,079. The companies that were expected to sue were Northwestern Mutual, Equitable of Iowa, and Bankers of Iowa. No New York company is in the list. The suits filed contest the constitutionality of the 2½% premium tax in the light of the U. S. Supreme Court insurance is commerce decision.

In connection with the suits filed, a restraining order was issued preventing the state treasurer from putting the money into the general fund, and ordering him to set up a special depository, out of which the companies may collect the money should the cases be decided in their favor. Had the money been put in the general fund, it would have been necessary for the companies to file claims with the state sundry claims board and its action would have to be approved by the legislature.

About \$3,000,000 has been paid into the state treasury by insurance companies. The companies must file a protest at the time of submitting statements and tax checks. Practically all paid under protest.

### TWO SUITS IN ALABAMA

MONTGOMERY, ALA.—Legality of Alabama's 2½% premium tax on out-of-state insurance companies as compared to 1% for domestic companies is headed for a circuit court test here Friday following the granting by Judge Jones of temporary injunctions restraining Superintendent Glass from revoking or canceling the licenses of Massachusetts Mutual Life and Prudential because they declined to pay the tax for 1944.

The companies have filed suits in equity contending the tax is discriminatory against firms whose home offices are in another state. Attention is called to the U. S. Supreme Court's insurance is commerce decision. The petitions allege that Alabama companies are also given more deductions in computing the gross amount of their premiums.

Both complainants paid into the circuit court the amount of taxes claimed by the state for 1944 and asked that the money be held in escrow pending final determination. They contended they would have no way of recovering the taxes if they were paid to the insurance commission and the courts later held the tax illegal.

The court said it "understood that although a bill recently passed by Congress would leave taxation of insurance companies to the states entirely, it would not affect premium taxes levied before the bill became law."

### FAVOR 2% IN NORTH CAROLINA

RALEIGH, N. C.—A subcommittee of the North Carolina legislature has recommended a flat 2% tax on gross pre-

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## Final Senate Debate Clarifies Intent of Bill

WASHINGTON—"An invitation to the exercise of good faith" was the way Senator O'Mahoney, Wyoming, described the insurance bill just before the Senate agreed to the conference report on the measure. "It is an invitation to the states to legislate in good faith," he said. "It is an invitation to the insurance industry to operate in good faith in the halls of the various state legislatures, and of Congress."

A recapitulation of the Senate vote on the report showed 68, instead of the originally announced 67, ayes, and eight noes.

O'Mahoney said he had been told by insurance executives last December that they "cannot afford to" agree with him concerning insurance legislation then proposed, "because of certain secret practices" such as he said he enumerated from the rules of the Insurance Executives Association.

Declaring he did not share the lack of confidence in state regulation, of Senator Pepper, Florida, Radcliffe of Maryland, said the insurance business "built up in the last 100 years, to be one of the biggest industries in this country," and "on the whole it has been constructed soundly" under state regulation. "One of the greatest blessings" during the depression, he added, "was that the insurance business did stand staunch and weathered safely the financial cataclysm."

Pepper had forecast the states will override the anti-trust laws.

### Should Show Confidence

"I believe that any attitude of mind which assumes that the states, after having on the whole very wisely and very securely built up a great business," Radcliffe continued, "would now take advantage of an opportunity to misuse and abuse their trust is a reflection on state administration and is entirely unwarranted."

Pointing out that under the conference

report the states would be given a "real opportunity to regulate," Radcliffe said: "If they have acted well in the past, why is it not reasonable now to show confidence in them?" They can not legalize boycott, coercion or intimidation or unjust discrimination under the bill, and if Congress "should feel at any time that its confidence had been misplaced, the federal government could step in."

Radcliffe said in the insurance field a company can be organized quickly without an enormous plant and "whenever an insurance company acquires profits which seem to be excessive, or whenever an apparent opportunity is afforded to make money in the insurance business, a new company is likely to come into existence. And such a course would continue under this act. Whether a new or old company desires to go under a rating bureau or not will be decided by its management.

"I do not believe that it is necessary for us at this time to assume that the states will run out on their obligations and treat this act as waste paper."

Pepper retorted that if the states are not expected to encroach upon the anti-trust acts "why give them authority to do so?"

"If we believe in those acts," he said, "why delegate to the states 'the right to cloud them and curtail their effectiveness?'

Referring to "federal regulation as a legal possibility, but no one is urging it now" O'Mahoney said the most harmful type of regulation is that by "private combinations and groups" enforced "through private rules and regulations under which persons engaged in the insurance industry could be tried and convicted for the violation of private law." Such regulation "would be absolutely outlawed" under the conference report, he declared.

"Not if the state legislature decided otherwise," Pepper replied.

### Taking the Responsibility

There is not a line or a sentence in the bill "which would delegate to any state the power to legislate in the field of interstate and foreign commerce," declared O'Mahoney. The bill "does not sacrifice the power of Congress to regulate in the field of interstate commerce," he added, "but, wisely, it seems to me, undertakes to say in effect to the state, 'For this period take the responsibility and regulate insurance in the interest of the public.'"

"Not for this period, but indefinitely," insisted Pepper. "We are talking about the period beyond the moratorium."

"Without any reservation," O'Mahoney declared: "when the moratorium period passes," the anti-trust and federal trade commission acts "come to life again in the field of interstate commerce, and in the field of interstate regulation. Nothing in the proposed law would authorize a state to try to regulate for other states, or authorize any private group or association to regulate in the field of interstate commerce."

Pepper inquired whether "if the insurance companies doing business in the southeastern states were to fix their rates through a rating bureau centered in Atlanta, and if they applied in Florida for the rates which had been fixed, but did so by authority of the state legislature of Florida, it would be lawful."

"I think that under this bill they could allow a rate-making bureau to sit anywhere to fix the rates in Florida."

Murdock, Utah, said "we are now confronted with a practical situation, and not a theory."

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## Loomis Chairman; Fraser President of Conn. Mutual

### New Chief Executive Has Been Vice-president Since 1930

James Lee Loomis, president of Connecticut Mutual Life for the past 19 years, has been elected chairman and Peter M. Fraser, who became vice-president in 1930, becomes president.



JAMES LEE LOOMIS

Born at Granby, Conn., where he still lives in the old family homestead, Mr. Loomis attended New York Military Academy and graduated from Yale in 1901. He became associated with the firm of Loomis Brothers, Granby, but



PETER M. FRASER

in 1902 entered Yale law school, where he was one of the editors of the Yale Law Journal. He was admitted to the Connecticut bar in 1905, and practised law in Hartford for a number of years. He became associated with Connect- (CONTINUED ON PAGE 21)

## Flags to Prudential



Brig. Gen. James I. Bowers, adjutant general of New Jersey, is here shown presenting to Prudential on behalf of Governor Edge the national colors and the state flag, in recognition of Prudential's cooperation in the compilation of the soldier vote for the elections of 1944. President Franklin D'Olier accepted the flags on behalf of the volunteer workers. Maj. John P. Read, acting deputy adjutant general, accompanied Bowers.

# Results in 1944 on Disability, Double Indemnity, Annuities Are Reviewed

**NEW YORK**—Losses due to annuity business, for companies licensed in New York state, amounted to \$80,663,121, about \$17 million higher than last year's figure and about \$13 million above the disability loss peak of \$67,535,327 reached in 1932.

That the annuity losses are due to bolstering reserves to make up for inadequate premiums on old business is shown by the fact that the companies doing business in New York added to their annuity reserve by reason of change in valuation basis \$88,356,972, or considerably more than the actual annuity loss figure. As in all recent years except 1943, when there was a \$5,031,036 gain, disability showed a loss but it was trifling compared to the way disability losses were running in the 1930s, being \$8,447,036.

As a result of the Rhine case, decided some years ago by the New York court of appeals, companies can pay lower dividends to policyholders with income disability in their policies so that most of the loss is assessed against those who are getting the benefit of the old disability provisions at rates which are a bargain even at the higher price repre-

resented by reduced dividends. The number of policyholders who cling to their old disability contracts despite reduced dividends indicates how highly they prize the former coverage, now no longer available on anything like such liberal terms.

The profit from double indemnity, \$8,783,726 was just about equal to the aggregate loss from disability. The profit from double indemnity would have been much greater in the aggregate but for Prudential's \$13,470,277 double indemnity loss. The only other company not showing a profit on double indemnity was North American Reassurance with a loss of \$10,331. Prudential bolstered its double indemnity reserve by \$18,411,813 as a result of change in valuation basis and accounted for the bulk of the total reserve boosts in the double indemnity column.

As was the case last year, the bolstering of reserves because of changes in valuation basis was a striking feature of the reports. In the aggregate they amounted to \$229,539,307 as against the 1943 total of \$248,553,085. Life reserves were boosted a total of \$100,262,274, or

less than last year's figures of \$163,358,732. Annuity reserves, on the other hand, were bolstered even more heavily than last year, \$88,356,972 being added to reserves as against \$79,531,882 in 1943. The boost for disability reserves was \$18,727,563 or nearly three times the 1943 figure of \$6,875,232. Double indemnity, largely because of the Prudential's action, received an aggregate boost in reserves of \$22,192,498 or many times the 1943 figure of \$1,587,239.

In continuing to shift large blocks of life, annuity, disability and double indemnity business over to a more conservative valuation basis the companies are placing themselves in an enviable position for whatever unsettled conditions may prevail after the war. Whether they are doing so as a matter of deliberate policy or whether they are just pursuing a traditional conservative course the action of the companies that are boosting their reserves is well timed. By and large, the public has money to pay its premiums and is not worrying because the last penny in dividends is not being paid. If times are worse after the war the present policy of conserv-

atism may be a welcome factor in permitting dividend scales to be raised or at least maintained at present levels which might not be possible if reserve bases had not been strengthened and it became necessary to do so later on.

Additions to life, annuity, disability and double indemnity reserves due to changes in valuation basis were as follows last year:

## Life

Bankers, Iowa .....	\$ 3,575,000
Colonial .....	18,362
Connecticut Mutual .....	2,500,000
Equitable Society .....	8,994
Equitable, Iowa .....	139,261
Lutheran Mutual .....	115,997
Manhattan .....	11,147
Metropolitan .....	46,413,000
Monarch .....	207
Mutual Benefit .....	8,918,000
New York Life .....	28,000,000
Phoenix Mutual .....	275,000
Provident Mutual .....	359,100
Prudential .....	34,982,000
Security Mutual .....	12,221
Travelers .....	151,041
Total, 1944 .....	\$100,262,274
Total, 1943 .....	163,358,732
Total, 1942 .....	55,383,000

(CONTINUED ON LAST PAGE)

Disability Premiums, 1st Year & Renewal*	Disability Payments Made*	Premiums Waived for Disability	Total Reserve for Disability*	Change in Surplus Charged to Disability*	Policy Divs. Declared for 1945 (Annual Basis)	1st Year Annuity Premiums Including Single Prems.	Annual Premiums Reserves at End of 1944	Net Change in Annuity Premiums Charged to Annuities	Reserves on Supplementary Contracts Not Involving Life Contingencies	
									End of 1944	End of 1945
Aetna Life .....	3,492,838	5,731,039	469,230	31,638,502	+ 631,002	+ 555,860	3,065,1310	6,955,994	21,264,110	227,596,331
Amalgamated .....	.....	.....	190,183	12,721,271	+ 263,896	+ 244,896	3,116,000	849,007	971,904	24,532,341
Bankers, Iowa .....	764,810	718,866	11,736	624,324	+ 57,294	+ 20,745	626,900	1,212,577	987,110	10,750,793
Berkshire .....	89,876	29,725	21,939	1,440,996	- 36,102	+ 23,870	788,500	290,055	368,025	10,347,813
Canada .....	83,243	75,364	51,193	3,745,688	+ 33,400	+ 110,293	745,7505	2,711,322	2,004,954	61,117,126
**Canada .....	323,260	221,105	.....	.....	.....	1,267	231,096	97,370	3,529,528	+ 11,717
Church .....	.....	.....	10,057	197,230	+ 6,479	+ 13,658	.....	.....	.....	140,575
Colonial .....	11,047	9,461	31,423	1,267,470	+ 55,278	+ 40,575	2,170*	649,405	132,409	5,891,729
Columbian Natl. ....	84,864	94,847	77,034	77,795	- 480	+ 158	125,000	18,767	16,967	331,925
Confederation .....	4,558	3,368	1,466	74,610	.....	.....	4,247,774	17,811,513	125,667,157	- 805,063
Conn. General .....	303,448	807,857	193,923	11,796,993	- 10,180	+ 257,610	1,327,919*	4,247,774	4,123,402	46,413,000
Conn. Mutual .....	994,637	658,218	257,052	13,335,007	+ 463,448	+ 343,898	6,650,000	1,998,515	62,146,256	+ 564,638
Continental Assur. ....	223,881	101,129	19,013	1,121,743	+ 67,849	+ 53,266	162,331	402,390	275,518	- 102,995
Continental Amer. ....	120,334	77,034	23,795	1,361,104	+ 82,376	+ 32,827	366,000	336,422	1,008,053	+ 11,995
Credit .....	5,691	1,359	.....	4,666	.....	.....	.....	.....	.....	3,035
Eastern .....	12,197	1,968	3,514	49,502	+ 10,699	+ 4,375	5,000	2,078	81,688	- 162
Empire State .....	1,114	.....	.....	1,442	+ 856	+ 331	.....	.....	.....	15,932
Equitable Society .....	6,555,480	8,109,198	1,588,899	119,093,047	- 4,213,813	+ 1,421,890	41,400,000	60,941,706	97,100,662	1,234,235,093
Equitable, Iowa .....	465,909	344,598	90,526	5,945,251	+ 113,610	+ 93,199	2,783,718	1,721,225	2,201,709	39,733,101
Expressmen's Mut. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farm Bureau .....	35,751	697	16,239	1,328	+ 16,993	+ 28,785	215,000	.....	10,503	- 174
Farmers & Traders .....	21,442	8,741	3,284	285,323	+ 1,269	+ 15,740	.....	.....	118,274	- 13,340
Federal Life & Cas. ....	1,095	.....	.....	644	+ 610	+ 509	.....	.....	.....	3,035
Fidelity Mutual .....	355,947	348,485	102,025	5,162,008	- 225,439	+ 60,028	1,705,932	794,861	993,298	- 183,278
Guardian, N. Y. ....	606,379	470,433	131,481	8,237,618	- 20,725	+ 95,343	2,300,000	401,350	572,439	- 359,298
Home Life, N. Y. ....	326,666	234,532	74,333	3,683,550	+ 33,431	+ 47,968	1,500,000	104,076	497,329	12,447,373
Imperial .....	1,653	5,687	1,328	56,638	- 3,071	+ 710	99,106	35,734	42,308	+ 45,302
John Hancock .....	1,164,592	1,269,033	316,079	14,522,544	- 391,616	+ 383,000	16,009,830	29,259,414	37,768,060	- 4,370,842
Loyal Protective .....	3,437	.....	26	2,844	+ 1,612	+ 1,964	21,465	42,050	56,252,030	- 1,407,757
Lutheran Mutual .....	20,902	7,695	3,173	186,733	- 1,067	+ 36,818	555,000	27,577	247,025	5,183
Manhattan .....	66,719	50,038	14,496	646,844	- 23,808	+ 14,706	47,9385	390,080	444,063	- 9,595
Mass. Mutual .....	1,675,624	1,278,228	486,839	19,809,531	+ 350,580	+ 236,896	9,148,293	2,242,043	6,023,679	119,729,559
Mass. Protective .....	25,047	.....	10,755	106,090	+ 18	+ 12,768	.....	.....	20,355	- 1,160
Metropolitan .....	5,252,567	7,699,932	1,175,754	88,610,808	- 2,475,766	+ 2,977,194*	68,881,387	6,053,561	55,676,413	- 1,407,757
Monarch .....	22,251	3,171	55,586	.....	+ 4,862	75,088	.....	.....	21,404	- 1,234
Morris Plan .....	2,693	984	.....	13,758	+ 1,608	.....	.....	.....	.....	.....
Mutual Benefit .....	460,202	45,764	39,152	1,515,242	+ 285,099	.....	13,357,494	2,595,541	760,193	33,642,038
**Mutual, Can. ....	211,340	191,251	66,595	4,099,951	- 1,479	+ 125,606	3,650,000	946,089	844,680	16,095,249
**Mutual, Can. ....	363	866	392	20,536	- 289	+ 167	5,000	75,137	112,521	2,788,253
Mutual, N. Y. ....	8,130,540	6,685,663	1,372,231	89,023,600	+ 735,494	+ 618,455	14,400,000	881,431	3,475,344	- 1,751,108
Mutual Trust .....	116,125	57,578	17,274	1,230,568	+ 20,347	+ 72,012	956,000	75,137	112,521	2,788,253
National, Vt. ....	229,686	191,028	68,486	3,453,549	+ 214,802	+ 89,793	4,408,984	5,374,979	5,374,979	- 560,294
New England Mut. ....	710,176	416,622	176,490	7,181,303	+ 259,434	+ 172,356	10,195,000	1,904,082	4,314,214	- 1,786,637
New York Life .....	7,306,348	13,210,866	4,039,064	224,408,615	- 7,986,737	+ 468,709	36,066,308	2,498,788	9,675,474	- 26,201,771
No. Amer. Reassur. ....	46,675	31,645	10,929	79,629	+ 1,573	- 10,331	.....	491	2,686	- 1,294
Northwestern Mut. ....	1,323,933	.....	363,543	5,066,302	+ 894,195	.....	36,600,000	4,613,405	3,690,770	121,050,715
Old Republic Credit .....	394	2,648	466	6,969	- 2,302	+ 161	.....	.....	105	.....
Paul Revere .....	28,676	2,141	57,307	16,242	+ 9,818	.....	.....	60,000	567,642	+ 10,196
Penn Mutual .....	1,350,327	1,240,056	424,594	23,026,251	+ 376,890	+ 281,992	10,150,000	5,325,015	3,337,569	- 1,295,252
Phoenix Mutual .....	998,855	579,362	194,882	9,197,834	+ 249,479	+ 290,941	2,376,055	1,319,055	2,271,484	- 1,090,735
Postal .....	822	.....	2,415	19,132	- 82	.....	29,558	42,382	14,382	- 14,150
Provident Mutual .....	743,013	392,403	135,818	9,597,099	+ 21,763	+ 84,269	3,920,000	1,034,262	3,155,455	- 1,286,704
Prudential .....	2,479,737	5,956,321	1,916,203	87,140,895	+ 983,378	- 13,470,277	45,970,300	1,990,070	48,107,032	- 8,194,666
Security Mutual .....	58,757	46,405	15,528	690,897	- 48,105	+ 17,226	173,000	205,603	84,058	- 68,288
State Mutual .....	290,595	197,983	65,885	3,992,283	- 7,800	+ 52,725	3,450,000	1,743,320	560,828	- 621,978
Teachers .....	35,649	.....	4,677	91,575	+ 42,532	.....	188,000	1,436,090	8,726,673	- 127,092
Travelers .....	6,336,914	5,778,026	932,186	60,998,634	+ 781,561	+ 435,458	2,253*	1,770,288	5,690,196	- 6,499,414
Union Central .....	451									

## N. Y. Agents Group Opposes Raising Savings Bank Limit

ALBANY—Noting the development of a tendency on the part of those responsible for savings bank life insurance in New York state to depart from the original aims and purposes of the system, the New York State Life Underwriters Association has filed with the banking committees of the legislature a memorandum opposing the bills introduced in both houses permitting the banks to raise their present ceiling of \$3,000 per life to \$7,500.

The memorandum calls attention to a news release of Feb. 28, 1938, in which Governor Lehman stated: "The savings banks will be restricted in the amount of policies they may write. Furthermore, legislation does not curtail competition by insurance companies, it merely offers to the wage earner a small insurance policy at a considerably less cost than he now has to pay." The memorandum states that since 1938 those who are fostering savings bank life insurance have continually discussed or actually proposed amendments to the original law, some of them unobjectionable but others aimed at extending in one way or another the coverage provided by this special type of life insurance.

### Virtual Removal of Ceiling

The bills to increase the present ceiling from \$3,000 to \$7,500, in the association's opinion, are tantamount to removing the ceiling entirely, because it exceeds the total individual insurance coverage of a vast majority of the present insured residents of New York state. In view of what appears to be a distinct change in the fundamental purpose on the part of those who are responsible for the distribution of savings bank life insurance in the state the state life underwriters association suggests that in the best interest of life insurance policyholders it would be desirable for savings bank insurance to adopt one or the other of two positions. The first would be that since savings bank life insurance was established by means of special enabling legislation for the express purpose of providing limited amounts of low premium coverage for wage earners in the lower income group, the present limits are ample to accomplish this purpose. Therefore there appears to be no valid reason why the limits should be raised.

If, on the other hand, it appears to be in the interest of the policyholders of New York state and if it appears desirable for the banks to enter the life insurance business on a purely commercial basis then those who represent life insurance in the interest of the general public see no reason why banks should not qualify as a legal reserve life insurance company just like any other.

This would involve furnishing the same capital requirements for organization, the same contribution to state taxes and supervision by the state insurance department instead of the state banking department and the same license

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## New England Mutual Leaders' Officers



W. B. Hardy

G. D. Orput

J. M. Stokes

E. Felsenthal

Officers of New England Mutual's Leaders Association, elected in a nationwide ballot by mail, are: President, W. B. Hardy, Cincinnati; vice-president,

Gordon D. Orput, Fortland, Ore.; treasurer, James M. Stokes, Philadelphia, and secretary, Edward Felsenthal, Memphis.

### Selection Men's Steering Group Meets in Chicago

The officers and executive committee of the Institute of Home Office Underwriters held their mid-year meeting in Chicago last week to discuss organization matters. R. T. Sexton, Connecticut General Life, president, was in charge. Texas Life of Waco was elected a member, bringing the total to 132.

### Others Attending

Others attending the meeting were Carl M. Young, Farmers & Bankers Life, executive vice-president; R. B. Caplinger, Reserve Loan Life, vice-president and editor; C. J. Smith, Pan-American Life, secretary-treasurer; and J. T. Acree, Jr., Lincoln-Income Life; R. J. Campbell, Continental Assurance; C. W. Huber, Bankers National; W. B. Lehmkahl, Guarantee Mutual; N. M. Longworth, United Benefit Life, and F. G. Short, Franklin Life, executive committeemen.

### Rehearing Granted in Va. Insurable Interest Case

The Virginia supreme court of appeals has granted a rehearing in the case of Smith vs. Coleman, in which the court held that the beneficiary under a life policy cannot collect the proceeds without having an insurable interest in the insured, even though the latter took out the policy himself and paid all the premiums. A rehearing was requested on the ground that the decision would cause widespread confusion and upset many beneficiary designations under Virginia policies.

### Miss Harris Cashiers' Director

The National Association of Life Agency Cashiers has elected Miss Eugenia Harris, cashier of Ohio National Life in San Antonio, as a director to fill the place of Robert Cheshire, who is now in the navy.

## Revolving Door

There was recently printed in the newspapers one of those oddities of the news which charms us because of its appeal to our sense of the ridiculous. This one was to the effect that the police had had to arrest a man who had fallen asleep in a revolving door.

The principle of the revolving door is that while it is never really open, it can always let us through. No alert person just keeps moving around and around in a revolving door. He uses it as a way of entering. This sleepy man of the news item neither revolved nor entered. He simply stopped up the door and prevented traffic.

As a matter of practice, in a sense, quite a few of us fall asleep while still moving in the revolving door: We do that by keeping moving without making progress.

We start out on a sale, find a prospect and warm him into making an application, and then move on without reaching out for the collateral sales that can be found within the same circle with that applicant whose interest we have aroused. Prospecting at its best is not continuous moving through revolving doors. It is moving through successive doors.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Analyze Factors in Mutual Benefit Reserve Change

Mutual Benefit Life has published an interesting comment on the action that it has taken in changing from 3% to 2 1/8% in its reserve basis. Mutual Benefit observes that this brings about increased safety because the cash value of the policy is increased beyond the amount indicated in the non-forfeiture table printed in the policy and the rate of required interest is reduced so there is a greater margin of safety if the rate of interest earnings continues to decline.

In order to increase the reserves on the policies by the proper amount to accomplish the change, Mutual Benefit transferred \$8,918,687 from contingency reserve to legal reserves on individual policies.

Mutual Benefit gives examples of old and new cash values on a \$1,000 ordinary life policy issued at age 40. For instance, at end of year one the old cash value was \$5.86, new is \$6.17, the increase being 31 cents. The second year \$27.14, \$27.76, increase 62 cents; third year, \$48.85, \$49.76, 91 cents; fifth year, \$83.54, \$85.01, \$1.47; 10th year, \$177.20, \$179.88, increase \$2.68; 20th year, \$383.47, \$387.53, increase \$4.06.

### Divergence Not Progressive

Mutual Benefit points out that there is not a progressive divergence of the new from the old values for the full term of the policy. On either basis the reserves must equal \$1,000 at age 96 so there is a gradual convergence in the later years.

There is no uniformity between policies in the amount of increase. For example, a 10 year endowment which is now in its ninth year will get a negligible increase in cash value since there is so short a time for interest to operate there is very little difference in results between 2.78% and 3% rate. A 10-payment life in its ninth year on the other hand will get a sizable increase in cash value since it will have to be sustained by interest alone after premiums cease in the tenth year.

Although premiums remain as before, greater cash values will be built in the future than it was originally intended, by changing the way in which the premium is broken up. For example, the ordinary life premium at age 35 is \$26.35. On the old 3% basis this was divided into \$21.08 to cover assumed mortality and reserve requirements and \$5.27 to cover expenses and contingencies. On the new basis the premium is divided \$21.39 and \$4.96. The reserves are being increased from funds previously credited to loading or expenses. As long as the expenses stay well below the expense allowance it is thoroughly sound to divert a part of the expense fund into the reserve fund.

The change will affect the dividend formula and Mutual Benefit states that an entirely new dividend scale can be expected for 1946. In arriving at that scale the proportion of surplus earned from interest will be substantially increased, the surplus earned from loading will be slightly decreased and the surplus earned from favorable mortality will be slightly decreased.

In the early policy years the dividends will be somewhat smaller than at present because the reduction in surplus from loading is greater than the increase in surplus from interest. In the later policy years the dividends will be greater because the increase in surplus from interest will more than offset the reduction in surplus from loading.

### Drops Some of Honor Clubs

Central Life of Des Moines has discontinued its President, Senior and Leader Clubs due to wartime problems, but will continue its Quarter Million Club and certain honor rolls. A new \$100,000 Club has been formed.

## New Life Business in 1944 and Total In Force in New York; Federal Income Tax Paid Is Reported

(Figures shown are ordinary unless designated (G) for group and (I) for industrial. Federal income tax is on all U. S. business, not New York operations only.)

Company	New Business	In Force	Federal Inc. Tax	Company	New Business	In Force	Federal Inc. Tax
Aetna Life	19,769,551	281,896,989	699,401	John Hancock (I)	51,291,470	489,315,170	...
Aetna Life (G)	125,337,590	379,966,386	...	Loyal Protect.	20,031	325,748	188
Amalgamated	9,500	9,500	...	Lutheran Mut.	300,270	2,098,568	14,441
Amalgamated (G)	39,645,000	38,511,000	...	Manhattan	15,501,589	80,954,458	27,234
Bankers, Ia.	3,100,823	36,901,626	259,206	Mass. Mut.	29,547,106	363,192,649	722,181
Bankers (G)	8,222,505	15,776,832	...	Mass. Protect.	96,555	2,575,292	4,864
Berkshire	12,094,575	88,560,590	61,063	Metrop.	246,607,926	3,090,839,773	5,496,670
Canada Life	797,600	31,489,451	-65	Metrop. (G)	404,225,274	1,101,129,168	...
Canada Life (G)	602,000	486,000	...	Metrop. (I)	96,103,020	1,441,714,348	...
Church Life	190,750	5,761,303	1,581	Monarch	1,148,999	5,205,900	5,235
Church Life (G)	40,000	231,500	...	Morris Plan	3,000	3,000	1,171
Colonial	3,170,820	16,303,584	20,926	Morris Plan (G)	21,479,618	12,804,878	...
Colonial (I)	2,301,097	98,602,992	...	Mutual Benefit	23,357,727	368,384,105	732,934
Columbian Nat.	6,939,203	50,643,874	53,050	Mutual, Can.	289,961	2,699,788	1,462
Columbian Nat. (G)	132,500	405,382	...	Mutual of N. Y.	28,243,500	663,102,025	1,376,575
Columbian Nat. (I)	...	1,12	...	Mutual Trust	3,722,673	12,583,991	55,484
Confederation, Can.	230,039	4,315,244	3,492	National, Vt.	10,463,351	109,358,639	265,560
Conn. Gen.	25,239,056	223,503,416	348,128	N. Eng. Mut.	35,168,605	296,568,984	503,729
Conn. Gen. (G)	68,635,502	157,397,060	...	New York Life	71,748,690	1,419,690,002	2,645,513
Continental Assur.	16,009,707	247,173,165	485,684	North Amer. Re.	8,204,900	38,778,500	13,230
Continental Assur. (G)	1,151,699	2,538,621	48,175	Northwestern Mut.	38,023,488	555,417,864	1,434,984
Continental Amer.	274,750	667,500	...	Old Republic	248,456	213,439	2,331
Credit Life (G)	8,796,371	45,780,031	31,618	Paul Revere	947,698	2,942,184	2,657
Eastern	1,284,166	1,054,946	107	Penn. Mut.	13,379,882	330,650,350	2,225
Empire State Mut.	3,977,723	23,853,710	1,494	Phoenix Mut.	12,296,123	144,576,503	310,000
Eastern (G)	71,500	334,500	...	Provident Mut.	17,578,827	156,245,478	420,858
Empire State Mut.	4,565,114	12,831,639	...	Prudential	232,778,392	2,635,782,484	4,670,557
Empire State Mut. (I)	22,331	456,181	...	Prudential (G)	96,650,514	342,593,644	...
Equitable Soc.	79,375,889	1,336,001,838	3,143,343	Prudential (I)	105,827,473	1,588,218,832	...
Equitable Soc. (G)	180,959,681	528,999,009	...	Postal Life	961,895	12,832,055	5,870
Equitable, Iowa	2,331,941	29,426,720	231,428	Postal Life (G)	8,500	385,088	...
Express. Mut.	949,558	5,778,849	8,926	Security Mut., N. Y.	18,395,590	70,316,887	34,773
Farm Bureau	1,468,096	5,047,933	4,000	Security Mut., N. Y. (G)	119,000	119,000	...
Farm Bureau (G)	14,500	268,000	...	State Mut.	13,386,064	123,587,428	205,515
Farmers & Traders	6,467,666	33,021,411	10,076	Teachers	626,579	12,679,593	...
Federal L. & C.	584,420	20,170,120	...	Travelers	55,197,690	875,149,182	1,131,779
Fidelity Mut.	4,659,953	57,006,699	146,501	Travelers (G)	231,815,621	745,850,562	...
Guardian (G)	30,742,649	229,103,638	154,410	Union Cent.	19,071,479	214,990,458	407,806
Guardian (I)	43,500	1,245,890	...	Union Cent. (G)	507,400	499,900	...
Home, N. Y.	12,513,420	157,477,780	135,735	Union Labor	410,908	6,905,917	2,204
Imperial, Can.	26,546	3,091,655	3,173	Union Labor (G)	3,074,732	22,421,490	...
John Hancock	115,481,397	873,843,945	1,102,285	Union Mut.	5,174,727	39,162,004	21,173
John Hancock (G)	77,789,812	123,468,656	...	Union Mut. (G)	4,016,500	3,548,000	...
				United Benefit	5,691,104	8,720,919	21,854
				United Benefit (G)	399,000	371,000	...
				U. S. Life	...	...	...
				Victory Mut.	2,445,400	7,569,052	665

### Insurer Wins War Clause Double Indemnity Case

The acceptance of a premium for double indemnity benefits from an assured in the army despite the existence of a provision eliminating liability for double indemnity while the assured is in military service in time of war does not necessarily constitute waiver of the latter exclusion, the Georgia court of appeals has held in *State Mutual of Rome, Ga. vs. Harmon et al.*

The assured was killed by the overturning of a tractor on the golf course at Fort McPherson, Ga., where he was stationed. Prior to the war the assured was manager of the Coosa Country Club at Rome and D. B. Magruder, treasurer of State Mutual, was secretary and a director of the country club. It was testified that Mr. Magruder knew that the assured entered the army and that the assured's wife paid the premium to and took a receipt therefor from a clerk working under Mr. Magruder.

State Mutual introduced no evidence and the court directed a verdict for the plaintiff.

#### Clerk Didn't Know Assured

The higher court stated that the provision as to double indemnity had ceased and was not in force when the insured died unless the acceptance of the premium by State Mutual amounted to a waiver of the condition and had the effect of keeping the policy provision in force. It does not appear that the clerk knew the insured or knew that he was in the army. The insured was known by the president and by the secretary of State Mutual and they knew that he had been inducted but neither of them recalled when they first learned of his induction. The information possessed by Mr. Magruder along with the knowledge of the insured's induction possessed by other company officials was all the evidence relied upon by the plaintiff to show acceptance of the premium under circumstances which amounted to a waiver. Hence the higher court held it was error for the lower court to say as a matter of law that State Mutual waived the policy provision relied on by it and in directing its verdict for the plaintiff.

### Mine Union's 10 Cent a Ton Plan Has Insurance Phase

WASHINGTON — Payment of a "participating royalty" of 10 cents per ton of soft coal mined, the proceeds to be used for insurance, hospitalization, medical and surgical service, was proposed by John L. Lewis, president United Mine Workers of America, and its policy committee, as one of the demands made upon coal producers and mine operators at the joint wage negotiations here, beginning last week.

A novel idea, this took the coal industry by surprise. The so-called royalty, if agreed to by the producers and incorporated in a wage contract, would yield an estimated \$60 million for the treasury of UMWA a year, on the basis of present coal production.

The royalty would be anti-inflationary," said Lewis, "since it would constitute an investment in insurance rather than merchandise. The plan seeks only to promote the physical welfare of the miners, thereby increasing their productivity. It would not violate the government's stabilization policy, or any wage formula."

A spokesman for UMWA says it is not contemplated under the proposed per-ton royalty fund for health insurance and medical care purposes that UMWA would set up an insurance company of its own; nor would UMWA make settlements direct without intervention of an insurance company setup.

The spokesman said if the program is adopted UMWA would operate under it through "established agencies because we believe in free enterprise." He pointed out that the UMWA retirement and annuity program has been placed with Metropolitan Life.

#### Chapman Now "Ad" Manager

R. L. Chapman, assistant secretary of Provident Life & Accident, has taken over the work of manager of advertising and sales promotion that was recently vacated by Bart Leiper.

Joseph E. Hart, general agent of Massachusetts Mutual at Savannah, Ga., since last May, died. He was a personal producer previously.

### Life Insurance Leaders Confer on 7th War Loan

WASHINGTON — The part life insurance is to play in the next war bond drive was subject of conference here between officials and a group of life executives, including Laurence F. Lee, president American Life Convention; Col. Franklin O'Lier, Prudential president, and New Jersey state chairman of the war bond drive, and other state chairmen identified with the insurance business.

The discussion ranged over matters related to the next bond drive, subscription by life companies to the new war bond issue, details of promoting the campaign, and a proposal for a new type of bonds with coupons, according to report.

It is understood that in advance of all its war bond drives, the Treasury wants to know, in general at least, what amounts the life companies may be expected to subscribe for. It was stated, however, that no figures were mentioned at the recent conference, but that life interests may be expected to do their part toward financing the war.

#### Deferred Payment

The Treasury Department stated that life companies, along with savings institutions and state and local governments, etc., will be permitted to make deferred payment, at par and accrued interest, for the 2½% and 2½% marketable bonds allotted to them, up to Aug. 31, 1945.

The Treasury stated that the following life executives conferred with Secretary Morgenthau and other officials last week:

Gladden W. Baker, Travelers; Col. Franklin O'Lier, Prudential; Lewis W. Douglas, Mutual Life; Frederick W. Ecker, Metropolitan Life; Laurence F. Lee, American Life Convention; F. A. Shaifer, Equitable Society; John S. Sinclair, New York Life; George Willard Smith, New England Mutual Life; F. W. Walker, Northwestern Mutual Life.

#### Call Off Accounting Parley

The annual conference of the Insurance Accounting & Statistical Association has been canceled. The directors will meet at Chicago, April 25.

### Employer's Contribution to Retirement Annuity Not Taxable Income to Employee

WASHINGTON — The internal revenue bureau has been asked for advice whether the first sentence of subparagraph (B) of section 22 (B) (2), internal revenue code, is applicable in determining for federal income tax purposes, the income of employees for whom retirement annuity contracts have been purchased by an employer organization exempt from such tax under section 101, code, other than under paragraph (6) thereof, or which is an insurance company taxable for federal income tax purposes under sections 201 or 207, code.

In reply, the bureau, in IT 3715, quotes the subparagraph referred to and points out that the reports of the house ways and means and senate finance committees on the 1942 revenue bill, "in referring to the taxation of employees' annuities purchased as part of a plan which meets the requirements of section 165 (A) (3), (4), (5) and (6) of the code leave no doubt that, except with respect to organizations which are exempt under section 101 (6) of the code, Congress intended to treat amounts received by employees under annuity contracts in the same way as amounts received under pension trusts," that is, the employee is not taxed with respect to contributions paid toward the purchase of such an annuity contract until he receives payments thereunder, or such payments are made available to him.

#### Contributions Deductible

"Where an employer purchases retirement annuity contracts for employees under such conditions that the contributions paid toward the purchase thereof are deductible under the provisions of section 23 (F) (1) (B) of the code," continues the ruling, "such conditions do not differ in character from those paid under similar circumstances by an organization which is exempt from tax under section 101 of the code, other than under paragraph (6) thereof, or by an insurance company which is taxable for federal income tax purposes under section 201 or section 207 of the code.

"Since the contributions in all such cases are of like character, and to carry out the evident intent of Congress, it is held that the first sentence of subparagraph (B) of section 22 (B) (2) of the code is applicable in determining, for federal income tax purposes, the income of employees for whom retirement annuity contracts have been purchased by an employer which is an organization exempt from federal income tax under section 101, of the code, other than under paragraph (6) thereof, or which is an insurance company taxable for federal income tax purposes under section 201 of section 207 of the code, provided that such employer's contributions, whether or not deductible under section 23 (P) (1) (B) of the code, meet the conditions set forth in section 23 (P) (1) (B)."

#### Another TD

With respect to employers of organizations exempt under section 101 (6) of the code, the bureau cites paragraph (3), section 29.22 (B) (2)-5, regulations 111.

Treasury Decision 5436 amends regulations 111 and 103 to conform to sections 2 and 3, public law 512, approved Dec. 20, 1944, relative to contributions of an employer to an employees' trust or annuity plan and compensation under a deferred-payment plan.

This law extended time for satisfying requirements of section 165 (A) (3) (4) (5) and (6) of the code, with respect to trusts forming part of a stock bonus, pension or profit-sharing plan of an employer.

The TD quotes at some length from the law, relative to employee's trusts, text of which is inserted in the regulation. It also strikes out the second and third paragraphs of section 29.165-5 and substitutes a full page of new language in fine print, which makes the old regulation conform to the new law.

# The Equitable

LIFE ASSURANCE SOCIETY OF THE UNITED STATES\*

reports on its progress in  
*serving human needs*



**T**HE PURPOSE of The Equitable is to serve human needs—to enable policyholders through co-operative action to achieve security to a degree that would not be possible through individual effort alone.

The Equitable during the past year continued to grow in usefulness to the American public and to the war economy of the nation. A total of \$609,026,000 of new Equitable life insurance was purchased in 1944. This volume is a tribute to the foresight and patriotism of a large proportion of the American people, who are refraining from spending their money needlessly and instead are putting it aside for the future.

It is likewise a tribute to the work of Equitable agents in carrying the story of life insurance and its benefits to the public. Most people, even though they realize their need for the protection that life insurance provides, tend to defer its purchase and must be persuaded to do that which will mean much to their welfare and happiness.

The aggregate of Equitable protection at the year-end was \$8,897,754,000—a record.

Benefit payments to policyholders and their families averaged \$26,000 an hour throughout the past year, a total of \$230,992,000.

The increase in dividend rates on most types of policies, put into effect last year, is being continued for 1945, thus maintaining the *low net cost* of Equitable protection. An aggregate of \$43,801,000 is scheduled for distribution to policyholders as dividends during 1945.

The Equitable continued to grow in financial strength during 1944, assets increasing \$318,329,000, a larger gain than in any previous year. Total assets are \$3,507,983,000.

Holdings of United States Government obligations have increased to \$1,568,317,000, representing policy-

\*A Mutual Company Incorporated under the Laws of New York State

holder funds directly helping to speed victory. In addition to the purchase of Government securities, The Equitable made diversified investments in corporate securities in 1944 at an average yield of 3.51%.

Life insurance is serving well in the war. It has extended and enlarged its protection of the American Family. It has helped those in distress. It has encouraged thrift and combated inflation. It has contributed greatly to the financing of the war.

In the peacetime future of our country, life insurance will be an equally dynamic factor. While continuing as a bulwark of family security, its investment funds will help industry speed reconversion and expand production, thereby providing jobs.

Life insurance investment funds have played an important role in the development of America. What life insurance has done in the past to aid the national economy, it will do on an even vaster scale and with larger inspiration in the America of tomorrow.

Thomas J. Hartman  
PRESIDENT

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## Surrender-Lapse Ratio at Low Point of 1.56%

The ratio of lapses and surrenders to insurance in force reached a new low point last year, being only 1.56 for life companies operating in New York as compared with 1.91% for 1943, which was the lowest ratio recorded up to that time. The amount of lapses and surrenders in 1944 was \$1,179,585,474 as compared with \$1,366,707,575 in 1943. The ratios are based on insurance in force at the beginning of the year for which the figures are given. The ratios are based on ordinary business only, exclud-

ing group, as the same considerations do not apply to group insurance as to individual policies.

Like the large amounts of insurance being sold, the high volume per agent and the high average size of policies sold, the unprecedentedly low lapse and surrender figures clearly reflect the wartime prosperity that has put more money in the pockets of nearly all policyholders. Undoubtedly the favorable record is also partly due to the better selling methods the companies have been incul-

cating into their field forces in recent years. This has resulted in insurance being sold according to the buyer's needs and in a greater determination on the policyholder's part to hang on to his insurance because he knows exactly what he has bought it for.

The extent to which better and more selective sales methods are responsible for the favorable lapse and surrender record will show up more clearly if the present level of prosperity declines substantially during the postwar era.

Surrender Amount	Lapse Amount	Lapse and Sur. Total	Per Cent Sur. 1944	Per Cent Lapse 1943	Surrender Amount	Lapse Amount	Lapse and Sur. Total	Per Cent Sur. 1944	Per Cent Lapse 1943	
Aetna Life ... \$ 26,303,933	\$ 27,776,524	\$ 54,080,457	2.62	3.09	Metropolitan... 77,824,173	\$ 79,506,419	\$ 157,330,592	1.11	1.56	
Amalgamated... 3,812,589	13,647,967	17,460,556	2.01	2.23	Monarch ... 199,196	2,038,806	2,238,002	6.15	6.60	
Bankers, Ia. ... 1,838,304	2,479,183	4,517,487	1.88	2.07	Morris Plan... 75,562	12,800	88,362	3.09	3.86	
Berkshire ... 2,178,920	1,491,651	3,670,611	1.57	1.97	Mut. Ben. ... 18,741,162	3,262,184	22,186,346	1.00	1.17	
Canada (U.S.) ... 127,234	23,500	150,734	.53	.42	Mut., Can. ... 174,405	47,750	222,156	1.83	2.12	
Colonial ... 348,032	1,954,002	2,302,034	4.68	6.20	Mut. Trust ... 1,404,358	2,589,528	4,005,886	1.81	2.29	
Col. Nat. ... 1,234,908	4,008,310	5,245,218	2.48	2.61	National, Vt. ... 3,904,894	3,598,755	7,503,449	1.17	1.38	
Confederation (U. S. Br.) ... 297,768	1,576,551	1,874,319	6.40	3.80	N. Eng. Mut. ... 10,569,945	10,317,629	20,887,574	1.16	1.98	
Conn. Gen. ... 14,418,000	18,707,713	33,125,713	3.46	3.75	N. Y. Life ... 32,310,399	66,545,000	98,855,399	1.34	1.61	
Conn. Mut. ... 11,344,083	10,454,197	21,798,280	1.77	2.41	N. W. Mut. ... 19,858,849	66,090	81,25,700	8,794,700	4.57	6.18
Cont. Am. ... 1,467,946	1,688,105	3,155,601	2.02	3.59	Old Rep. Crd. ... 19,673	59,178	78,855	.15	.24	
Cont. Assur. ... 1,970,258	4,924,213	6,894,471	3.13	3.59	Paul Revere ... 174,374	2,541,946	2,716,320	6.27	8.21	
Eastern ... 64,338	488,085	552,423	2.50	3.26	Penn Mut. ... 14,377,885	14,790,913	29,168,798	1.38	1.84	
Empire State ... 91,727	1,593,175	1,684,902	16.30	—	Phoenix Mut. ... 5,321,948	5,576,314	10,898,262	1.45	2.04	
Equit. Soc. ... 31,398,264	32,770,712	64,708,976	1.28	1.58	Postal ... 510,667	375,817	886,484	2.26	2.65	
Equit. Iowa ... 3,243,268	6,331,312	9,574,580	1.45	1.68	Prov. Mut. ... 9,857,207	4,881,465	14,738,672	1.39	1.75	
Expressmen's ... 220,546	424,500	645,046	1.97	3.09	Prudential ... 60,436,810	88,338,527	148,775,337	1.29	1.48	
Farm Bureau ... 264,644	3,759,103	4,023,747	7.15	6.22	Security Mut. ... 710,394	2,482,995	3,193,389	2.82	3.53	
Farm. & Tr. ... 176,859	1,116,229	1,293,088	2.23	2.57	State Mut. ... 3,796,617	2,935,488	6,732,105	1.03	1.09	
Fed. L. & C. ... 22,000	317,750	339,750	7.73	—	Teachers ... 371,985	342,601	714,688	1.06	1.22	
Fidelity Mut. ... 2,047,819	3,503,647	5,551,466	1.37	1.75	Travelers ... 20,197,223	60,994,225	81,181,448	2.73	3.07	
Guard, N. Y. ... 2,824,451	3,671,026	6,495,441	1.18	1.68	U. S. Cent. ... 9,160,662	5,631,648	14,792,310	1.28	1.53	
Home L. N. Y. ... 2,449,445	3,764,766	6,214,211	1.25	1.64	Union Labor ... 160,744	350,670	511,414	3.61	5.12	
Imperial, Can. ... 325,065	135,048	460,113	2.62	3.45	Union Mut. ... 792,724	2,640,906	3,433,630	3.14	3.85	
John Hancock ... 24,399,338	85,644,430	110,043,768	3.37	3.91	Un. Benefit. ... 1,187,040	30,680,773	31,867,813	11.45	13.4	
Loyal Prot. ... 27,267	510,750	538,017	8.72	6.20	U. S. Life ... 848,484	4,195,265	5,043,749	5.99	5.13	
Luth. Mut. ... 356,162	1,074,419	1,430,581	1.49	2.16	Victory Mut. ... 17,832	1,179,329	1,197,161	10.51	2.09	
Manhattan ... 1,283,011	3,598,244	4,881,255	4.21	5.04						
Mass. Mut. ... 20,395,339	10,701,109	31,096,498	1.47	1.78	1944 Total ... \$482,648,217	\$696,937,257	\$1,179,585,474	1.56	—	
Mass. Prot. ... 195,981	582,153	778,134	1.73	2.06	1943 Total ... \$587,278,322	\$779,519,253	\$1,366,707,575	1.91	—	

### Peoria C.L.U. Slates Business Liquidation Forum

The Peoria C.L.U. will sponsor a business liquidation forum starting at 10:30 a. m. March 23. Speakers include: Paul W. Cook, Mutual Benefit, president Chicago Life Insurance & Trust Council; Benjamin M. Becker of the law firm of Levison, Becker & Peebles, Chicago; Harve H. Page, second vice-president Northern Trust Company, Chicago.

#### Skit at Luncheon Session

"You Planned My Estate, What Now?" will be the title of a skit written by B. M. Becker, to be presented at the luncheon. Members of the cast will include Harry Hoffman, Frank Mayne, Leonard Fritz, and Morris Landwirth. Harry Walter, Penn Mutual Life, is directing the production.

#### Suit on Group Dividends

MILWAUKEE—An action asking for an accounting by the Heil Co., manufacturing concern here, of divisible surpluses paid by Metropolitan Life under a group insurance plan in which employees of Heil participate, has been filed in circuit court by Orville G. Fischer, an employee of the firm. The suit states that employees contribute a part of the premiums paid on the life insurance through payroll deductions, but the employees have never received a share of the dividends from the divisible surplus which, it is contended, the employer must distribute among parties paying the premium.

#### Seek Ore. Annuity Tax Relief

SALEM, ORE.—The Oregon senate has approved a bill by Sen. Lew Wallace, Canada Life, Portland, providing that all life insurance annuities shall be exempted from state income tax until such time as the annuitants have received income therefrom equal to the purchase price.

Senator Wallace charged that the present law providing a 3% state income tax on these annuities is unfair and had discouraged many persons from purchasing annuity policies as a financial protection during their later years.

### Gordon Named Supervisor by Metheny at Pittsburgh

Harold A. Gordon has joined the C. Brainerd Metheny agency of Fidelity Mutual Life in Pittsburgh as supervisor. He has had 12 years' supervisory experience. Mr. Gordon is a C.L.U. and specialized in business insurance.

#### Approve New Mo. Constitution

ST. LOUIS—Voters of Missouri approved the proposed new constitution by a margin of about 2 to 1. The principal change of interest to insurance

companies is the creation of a department of revenue, to include a division of collection and a division of budget and control, which will collect all state taxes, licenses and fees, except those collected by local officials. This means that the licenses and fees heretofore collected by the insurance department and other state agencies will clear through the new department.

#### Guertin Bills Advance in Minn.

ST. PAUL, MINN.—The three Guertin bills have passed the Minnesota house and are on general orders in the senate.

### FIGURES FROM DEC. 31, 1944, LIFE STATEMENTS

Total Assets	Increase in Assets	Surplus to Policy-holders	New Bus. 1944	Ins. in Force Dec. 31, 1944	Increase in Ins. in Force	Prems. Income 1944	Total Income 1944	Benefits Paid 1944	Total Disbursements 1944
Acacia Mutual Life 130,976,607	11,798,332	5,463,747	89,226,689	580,350,849	65,978,555	16,062,828	23,125,846	5,831,581	11,912,75
Aetna Life ... 1,040,777,099	100,440,257	5,476,251,070	416,225,311	6,067,999,426	200,116,840	133,582,901	197,066,849	75,393,100	108,105,41
Afro-Amer. Life ... 2,673,283	533,605	816,487	12,318,976	34,356,764	5,437,811	2,058,569	2,288,731	580,973	814,19
Alliance Life ... 23,203,352	1,129,679	1,345,618	11,159,039	102,233,358	1,601,311	2,023,028	3,590,272	1,285,120	2,623,90
American Natl. ... 148,239,724	19,039,720	19,033,666	257,863,748	1,243,286,039	31,165,452	33,227,132	38,076,312	7,286,014	19,626,80
Canada Life ... 329,533,755	14,840,434	19,040,153	88,937,795	887,741,968	35,138,154	27,565,475	48,185,704	22,222,645	33,705,65
Central Assurance ... 530,478	49,935	343,250	387,600	1,709,406	190,313	49,175	180,167	9,988	133,375
Colonial Life ... 28,846,307	2,022,943	1,541,084	17,698,104	154,251,550	6,555,927	5,352,930	6,740,165	1,949,797	4,745,80
Columbian Mut. L. ... 3,934,556	-23,469	126,620	2,621,595	21,847,254	641,104	623,772	814,438	538,280	851,79
Cuna Mutual ... 834,743	113,635	497,660	7,797,299	79,272,283	3,944,341	679,337	703,023	507,999	592,05
Durham Life ... 14,234,816	2,818,169	2,144,883	35,898,683	126,672,910	14,552,729	4,537,542	5,469,144	839,077	3,046,83
Emp. State M. L. ... 2,587,399	477,867	319,586	4,673,245	13,700,570	2,726,924	474,419	1,326,092	180,853	892,38
Farm Bur. Life, O. ... 8,073,107	1,590,949	970,563	29,884,084	104,507,808	23,519,033	2,590,481	3,036,586	632,918	1,491,49
Farmers & Trds. L. ... 14,260,826	1,190,290	719,288	12,199,487	68,379,077	10,103,855	1,625,153	2,371,490	580,052	1,242,16
Guar. Rec. L. Colo. ... 1,617,269	232,048	255,011	6,159,550	18,004,080	3,481,147	462,566	581,828	147,082	363,18
Home Friendly ... 5,814,879	607,592	1,237,823	5,055,290	33,812,482	1,388,533	1,411,701	1,664,009	403,142	1,084,77
Hoosier F. Bu. Life ... 1,184,137	423,544	134,456	7,789,902	24,481,664	6,627,541	549,859	696,698	78,849	303,58
La Fayette Life ... 9,374,947	707,309	302,896	6,663,373	41,149,209	4,123,871	1,144,244	1,750,919	487,278	1,023,28
Life & Cas. Tenn. ... 51,955,168	7,705,373	8,719,198	123,228,759	471,848,338	59,507,574	16,269,165	18,733,001	2,914,352	23,519,22
Mase. Mut. Life ... 931,584,813	68,183,342	37,905,397	148,871,260	2,197,894,211	79,862,752	72,047,647	145,160,152	42,625,063	75,701,76
Metropolitan Life ... 6,995,450,571	531,647,019	427,657,791	2,330,181,5023	30,690,750,125	1,516,353,131	957,049,170	1,358,865,018	592,034,726	874,764
Ministers L. & C. ... 4,193,109	594,322	830,270	1,844,000	17,204,036	1,375,095	566,576	790,896	208,317	295,62
Mut. Savings Life ... 19,904,116	448,826	813,715	1,325,495	48,401,996	-2,130,747	96,538	2,476,681	1,102,490	1,974,45
Northern Life, Can. ... 15,002,830	1,142,118	894,026	6,629,221	69,225,098	6,500,548	1,709,772	2,525,773	738,670	1,376,00
Old Repub. Cred. L. ... 1,214,430	121,093</								

# An Old Company with a Youthful Outlook

# STATE MUTUAL

# REPORTS on 1944

10,323 policyholders purchased new life insurance coverage amounting to \$51,602,006—the largest increase since 1931.

\* \* \*

State Mutual coverage of 137,725 policyholders and annuitants at the year end totalled \$684,490,758—an increase for the year of \$31,002,286.

\* \* \*

A smaller percentage of total insurance in force was voluntarily terminated during 1944 than in any previous year in the Company's history.

\* \* \*

State Mutual has accumulated assets of more than a quarter of a billion dollars with which to meet its obligations to its policyholders—an increase for the year of over seventeen million dollars.

\* \* \*

United States Government Bonds constitute nearly a third of the Company's total assets—holdings of these bonds have doubled since Pearl Harbor was attacked.

\* \* \*

FHA mortgage loans have increased over seven million dollars. These loans are guaranteed by the United States Government.

\* \* \*

33% of the 1944 new business was on lives of people already insured in State Mutual; 12.5% of business issued in 1944 was on lives of women; 7% was on juveniles under 10 years of age. Of the 2522 juvenile lives insured in 1944, more than half were from one day old to age four.

\$13,713,855 was paid to policyholders or their beneficiaries during 1944. As in previous years, more than half the amounts becoming due under Company contracts were left with the Company to provide regular income over a period of time.

\* \* \*

No reserves on insurance or annuity contracts on the Company's books are based on an interest assumption higher than 3%.

\* \* \*

The period of coverage of policies paid ranged from 55 years to as short a time as 80 days—on the average, policies had been in force 22 years.

\* \* \*

137 policyholders died while in the armed services—these deaths constituted 11% by number and only 6% by amount of total death claims.

\* \* \*

State Mutual is nation-wide. It operates in 28 states and in the District of Columbia and maintains agencies in 50 different cities.

\* \* \*

\$649,002 was added to Surplus in 1944, thereby increasing our long-range margin of safety to meet all unforeseen contingencies.

\* \* \*

So much for 1944. Entering its second century, the State Mutual pledges to its policyholders continued protection from financial disaster. As an old Company with a youthful outlook, State Mutual is determined to meet challenging conditions with fortitude and wisdom born of experience.

**STATE MUTUAL LIFE**  
*Assurance Company*  
 OF WORCESTER, MASSACHUSETTS

CHARTERED 1844 • NOW IN ITS SECOND CENTURY

## Urge Agents to Get Out of Debt and Get in Sound Position

Some of the companies and general agents these days are systematically taking up with their agents the latter's personal financial situations. Especially is the agent being urged at this time to pay off any indebtedness that is over his head, including the mortgage on his home.

If the agent takes advantage of this opportunity to get in the clear he will be in an excellent position to ride through any period of economic adversity and difficult life insurance selling days that may lie ahead. Even though his new life insurance sales may hit the toboggan he will be able to live comfortably from his renewal commissions if he does not have a burden of debt over his head.

It is found that some very constructive steps can be taken by most agents when his problem is analyzed. Very few agents are in debt these days to their general agents or companies. Indeed many agents have funds to their credit with their general agents or companies. Some companies and general agents

worked out arrangements with men to pay even monthly amounts to the producers based upon reasonable expectations as to what their earnings for the entire year are likely to be. Today a good many agents are continuing to receive only the monthly amounts that they formerly got and have permitted the balance to accumulate to their credit on the theory that this can be used to assure them the same even monthly stipend should they hit a slump.

## Guarantee Mutual Adds to Home Office Property

Guarantee Mutual Life has purchased the four-story office building immediately south of and adjoining the present home office building. The company is now using nearly all of the space in the present building and it was deemed wise to provide for expansion.

The purchase of this additional space definitely establishes the future address of the home office in its present downtown location.

## Would Write Flat Premium

SALEM, ORE.—An Oregon senate bill provides for organization of mutual life companies charging a flat premium regardless of age, but limiting policies to a maximum of \$3,000.

## Wisconsin New Business and in Force on Jan. 1, 1945

All figures are ordinary unless designated G for group and I for industrial.

	New Business	In Force
Acacia Mut. Life.....	\$ 4,478,239	\$ 13,245,273
Aetna Life .....	3,514,608	52,497,946
Aetna Life .....	36,886,342	70,703,049
Bankers Life, Ia.....	7,714,407	71,948,842
Bankers Life, Ia.....G	75,500	75,500
Business Men's Assur.....	15,282,159	5,733,403
Business Men's Assur.G	215,823	556,622
Central Life, Ia.....	4,691,697	53,409,238
Connecticut General.....	1,570,123	7,771,756
Connecticut General.G	4,135,370	6,861,489
Connecticut Mutual.....	1,809,443	13,127,720
Continental Assur. Ill.....	1,712,616	19,651,389
Continental Assur. Ill.G	1,945,635	6,543,030
Cooperators L., Wis.....	920,750	2,275,100
Cooperators L., Wis.G	432,005	2,463,022
Cuna Mutual .....	21,750	175,440
Cuna Mutual .....	G 287,543	3,583,176
Equitable Society .....	9,643,839	106,691,932
Equitable Society .....	G 23,505,378	75,866,550
Expressmen's Mut.....	48,084	560,743
Franklin Life .....	1,432,432	14,410,911
Guardian Life, N. Y.....	1,096,131	11,245,132
Great North. Life.....	1,734,116	16,808,833
Great North. Life.....G	.....	12,000
John Hancock .....	5,478,398	26,845,200
John Hancock .....	G 10,734,793	13,180,812
John Hancock .....	I 1,787,220	17,600,167
Kansas City Life .....	1,382,877	15,170,985
Lincoln Natl. Life .....	9,627,862	50,704,811
Lincoln Natl. Life.G	123,850	676,270
Loyal Protective Life .....	107,065	423,523
Lutheran Mut. Life.....	1,837,573	11,155,011
Massachusetts Mut. ....	3,597,341	40,710,859
Mass. Protective.....	192,087	2,824,912
Metropolitan Life.....	23,257,373	264,727,001
Metropolitan Life.....G	47,501,050	124,746,462
Metropolitan Life.....I	13,757,730	174,083,318
Mutual Benefit Life.....	1,623,338	23,734,830
Mutual Benefit Life, N. Y.....	4,699,520	28,774,637
Mutual Trust Life.....	3,537,456	24,556,109
National Life, Vt.....	954,764	3,329,894
National Guardian .....	7,684,662	61,488,223
New England Mut. ....	3,927,410	49,891,438
New World Life .....	1,873,941	7,201,222
New York Life.....	18,351,996	239,212,949
North American Life .....	1,024,508	9,825,560
North Amer. L. & C. ....	3,422,910	9,882,704
Northwest. Mut. Life.....	23,588,750	383,379,433
Old Republic Credit....	1,811,912	1,656,015
Old Line Life.....	5,623,107	69,469,900
Pacific Mutual Life.....	1,654	915,637
Paul Revere Life.....	293,951	1,732,862
Penn Mutual Life.....	3,306,334	37,334,007
Phoenix Mutual .....	1,876,449	8,737,599
Provident L. & A. ....	311,006	1,435,335
Provident Mut. Life.....	1,468,344	12,342,111
Prudential .....	30,162,142	321,073,113
Prudential .....	G 28,268,692	80,778,737
Prudential .....	I 14,103,846	194,985,092
Security Mut. N. Y. ....	1,294,756	6,095,773
Security Mut. N. Y. G	56,000	51,000
Travelers .....	4,017,088	60,848,988
Travelers .....	G 15,323,949	53,204,998
Union Central Life.....	.....	* 3,775,491
Union Labor Life.....	36,569	501,745
Union Labor Life.....G	2,985,000	6,963,750
United Benefit Life.....	5,148,714	5,212,008
Washington Natl. ....	1,772,591	5,729,189
Washington Natl. ....G	434,000	1,623,046
Wisconsin Life .....	3,139,162	26,284,648
Wisconsin National .....	3,865,971	31,021,511
Wis. State Life Fund .....	218,500	3,195,270

\*Withdrawn.

## Prudential Gives Up 890 Employees to Government

This week 890 home office employees of Prudential, one-tenth of its personnel there, are being transferred from its home office buildings to the office of dependency benefits, which has occupied the new Prudential office building since its completion in 1942, directly across the street. The mass transfer of workers from non-essential jobs to essential jobs was arranged without loss of pay or inconvenience, according to G. A. Pfaus, WMC Newark area director, and R. M. Green, vice-president of Prudential. There are 1,700 vacancies in the ODB and additional workers are being recruited.

### Cooperating Fully

Prudential is cooperating fully with WMC, Mr. Green said. Most of the workers are being sent to ODB because it has a high priority and also the work is almost identical with what they have done for Prudential. The company has 4,000 fewer employees than it had three years ago, 2,200 being in the armed forces.

Before transfer, each employee is interviewed by USES to ascertain whether she had some hidden skill which would qualify her for war plant work. All the girls are over 18, the minimum age under civil service.

The transfers are part of a program to shift 17,000 workers in the Newark area from nonessential to war jobs.

## U. S. Life Marks 95th Year

United States Life this week observed the 95th anniversary of its founding. The day was marked by a message from President Mansfield Freeman in which he reported that insurance in force as of Dec. 31 was \$123,113,980, and that the assets had increased 17.5% over those of a year ago. Paid-for insurance during 1944 was up 52%.

The first president of U. S. Life was Frederick Sheldon.

U. S. Life has successfully weathered several national panics. It has pursued a conservative investment policy. It is noted for its foreign coverage for Americans living or traveling abroad, and for nationals in other countries. This service was begun in 1935, and the foreign offices in Hawaii, Cuba, Puerto Rico, Canal Zone and Colombia have shown increasing growth.

### Freeman's Background

In 1935 Brooklyn National Life was merged with U. S. Life. President Freeman is a graduate of Wesleyan University and of Edinburgh University. He was a professor of philosophy at Tsing Hwa College, at Peiping, from 1919 to 1923 when he gave up teaching to become an agent for Asia Life. He became manager at Peiping, then assistant secretary at Shanghai, then superintendent of agents, secretary, vice-president, and finally president. He was elected president of U. S. Life in 1941. He is still president of Asia Life, a partner in Starr, Park & Freeman, Inc., a director of Underwriters Savings Bank for the Far East, Post Mercury Company Federal, Inc., U. S. A., and of American International Underwriters Corp.

## Find 40 Federal and State Health Cover Bills

The Insurance Economics Society has gotten out a chart, giving retails of 40 federal and state health insurance legislative proposals. The society observes that there is lack of interest in southern states, where purely statistical evidence points to the greatest need for additional medical care. It would be more logical to expect a flood of activity in those states than in the northern and western states where it has actually appeared.

The greatest demand for compulsory measures has appeared in such high income states as California, Washington and Minnesota, even though there has been no bill introduced in the latter state. In California there are 10 bills. This has resulted in a confused situation.

Apparently, if a bill is introduced in Minnesota, it will be done under circumstances which could mean that it would then have an excellent chance of passage.

In Rhode Island contemplated extension of the cash sickness plan to include a hospitalization system has been postponed following an unfavorable report by the voluntary advisory council on health. Lack of hospital facilities and the desirability of further study were given as reasons.

Legislative reports in Massachusetts and New York advised continued study, and it is likely that this course may be adopted in those states, even though a number of bills setting up health insurance systems have been introduced.

### Vol. 1 of N. Y. Dept. Report

The New York department has issued volume 1 of the annual report for the year ended Dec. 31, 1943. It covers life companies, cooperative life and accident associations, hospital service organization, medical expense indemnity organizations and pension funds and retirement systems. The volume contains 627 pages.

## PUBLIC RELATIONS BEGIN AT HOME

During the past few years the life insurance business has greatly improved its public relations. Life insurance has a wider public acceptance and its uses are more generally appreciated than ever before.

Much of this progress in public relations in the life insurance business is the result of improved public relations at home—among ourselves. And the spearhead of this improvement has been the life underwriters associations throughout the country which make up the National Association of Life Underwriters.

With the life underwriters in the field working together harmoniously through the NALU, both company management and field forces are going forward shoulder to shoulder in the interests of the public and the great institution of which all of us are an important part.

**COMMONWEALTH  
LIFE INSURANCE COMPANY**  
LOUISVILLE • MORTON BOYD, President

WHERE QUALITY MEN ARE BUILDING QUALITY VOLUME

March 9, 1945

## LIFE INSURANCE EDITION

9

## Life Insurance Is Essential in War Time, Says Todd

There could be nothing more catastrophic than for every insurance company to close its doors for duration, John O. Todd, general agent of Northwestern Mutual Life in Chicago, outstanding authority on and writer of pension trusts, and many times a million dollar producer, declared at a dinner winding up his first year as an agency head.

"What about the effect on our fighting soldiers, sailors and marines of knowing that their insurance is going on and taking care of things? Why can't we just keep the offices open and let the people come in and buy their life insurance? The reason is that they just don't buy life insurance that way," he said.

"We all will need the life insurance agent. It seems to me that we can feel that the job which we are doing is of the utmost importance—we are helping to maintain a strong and virile institution."

### Home Office Men Attend

Four home office officials including Grant L. Hill, director of agencies, attended, as well as the entire agency staff. A cocktail hour preceded a turkey dinner.

An unusual feature was short talks not only by the home office men but by women of the staff, who told what they had gone through in the first year of getting the agency started. These included a sparkling talk by Blythe Clark, cashier, a South African woman who spent 13 days in a life boat in the north Atlantic after being torpedoed just a day's run from New York City and who saw about half the people in the boat die from starvation.

President M. J. Cleary and Vice-president Edmund Fitzgerald were to have attended but were taken ill with colds and immobilized in Milwaukee.

### Hill Tells of Operations

Mr. Hill gave sidelights on the company's operations including the unique policyholders examining committee which has been voluntary set up as a control measure. This committee of four policyholders from various parts of the country selects the auditors who check the annual figures. The committee members go to the home office at company expense but are on their own. No one else knows what they will do. They receive the auditor's report directly. Mr. Hill said he did not know of any other company which operates that way. He urged concentrating on filling the public's needs, for he said 99 of every 100 men have problems which life insurance will help to solve.

About \$150 million of business was placed in force by the four Vails, Malcolm D. Vail, special agent, related. Of this amount \$40 million still is on a premium paying basis. This great business was started by his father H. S., who at the peak of his career led Northwestern Mutual for three consecutive years. Malcolm, and the other sons, Carleton and Roger, who now are dead, worked with their father. Malcolm in the last 25 years has not paid for less than a million annually. He and John Todd until a year ago were partners as special agents of Northwestern Mutual. He now reports through the Todd agency.

### Todd's First Manager Talks

John S. Murphy, agency manager for Mr. Todd, at one time was Mr. Todd's manager at Minneapolis and drafted him into the business. He told of John Todd's eagerness and enthusiasm as a young life agent, and of his intentness on mastering the business. Mr. Murphy reported the Todd agency paid for \$3,250,000 in its first year and is gaining momentum.

J. N. Lochemes, superintendent of new business issue at the home office, complimented the agency upon its outstanding submission of completely pre-underwritten business in its first year. L. J.

Evans, assistant director of agencies, and John P. McDonald, agency secretary, both from the home office, took a bow.

Among the guests were B. W. Claypool and C. C. Maher, medical examiners at Chicago; Thomas R. Furlong, financial editor Chicago "Tribune," a neighbor of Mr. Todd; Robert F. Spindell, attorney, of Spindell & Millet tax service, Chicago; Nathaniel Seefurth, attorney and head of Compensation Research Bureau, Chicago, which handles technical work in connection with pension trusts; Ben S. McGivern, former Northwestern Mutual general agent; Mrs. Lucy

Seefurth, Charles Heiss and Ralph D. Boughton, all of the bureau staff. Mr. Seefurth spoke, being introduced by Mr. Todd as the greatest single planner of programs for pension trusts, estates, covering taxes, etc.

Angus B. Rosborough, general agent at Jacksonville.

Entering Massachusetts Mutual service in 1933, without previous insurance experience, Mr. Hammer quickly established his reputation as a successful producer. He qualified as a member of the 100 leaders in 1937 and has maintained this high standing for eight consecutive years.

He closed 1944 with 92 consecutive months in the Spotlight, honor group of those whose sales are \$20,000 or more for the month.

With January sales of 47 policies for \$336,991, Mr. Hammer bids fair to exceed his 1944 production in 1945.

## FINANCIAL STATEMENT AS OF DECEMBER 31, 1944

# LUTHERAN BROTHERHOOD

*Legal Reserve Life Insurance for Lutherans*

Herman L. Ekern, President

HOME OFFICE, 608 SECOND AVENUE SOUTH, MINNEAPOLIS 2, MINNESOTA

The Lutheran Brotherhood is composed of Lutheran Men, Women and Children owning 109,377 life insurance contracts. These people are the Lutheran Brotherhood, they own the Lutheran Brotherhood and they alone receive the profits of the Society. There are no stockholders. All Lutherans in the United States and Canada are eligible for membership.

### ASSETS

#### First Mortgage Loans:

City .....	( 29.46%)	\$ 6,149,820.21
Farm .....	( 26.05%)	5,439,068.28
Church .....	( 1.73%)	360,064.55
Bonds:		
U. S. Government .....	( 19.24%)	4,016,132.89
*Other Gov't, State and Municipal .....	( 13.37%)	2,791,706.80
Public Utilities .....	( .09%)	19,578.97
Railroads .....	( .18%)	37,712.57
Policy Loans .....	( 6.81%)	1,422,362.81
Cash .....	( .62%)	129,816.42
Premiums Due and Deferred and Misc. ....	( 2.26%)	471,621.25
Real Estate .....	( .02%)	5,194.00
Real Estate Sold Under Contract. ....	( .17%)	34,436.28
Total Admitted Assets.....	(100.00%)	\$ 20,877,515.63

Solvency Ratio ..... Ratio 110.11%  
Interest Earned ..... Net Rate 3.95%  
Actual to Expected Mortality ..... Ratio 39.16%  
\*Bonds with a market value of \$153,780.00 are deposited with Government and State Departments as required by law.

### LIABILITIES

Reserves on Policies and Annuities .....	\$ 15,587,397.81
Held in reserves required by statute for the payment of benefits promised our policyholders.	
Advanced Premium Reserve .....	632,661.32
Amounts deposited in advance for payment of future premiums.	
Dividends Left at Interest and Dividends Due .....	1,397,369.74
Reserves on Disability .....	110,807.80
Held in reserves required by statute for the payment of benefits promised our policyholders.	
Present Value of Death Claims Payable in Installments by Request .....	349,475.71
Present Value of Disability Claims Payable in Installments .....	132,328.70
Death Claims Awaiting Proof .....	94,322.00
Miscellaneous Reserves .....	437,698.59
Mortality and Asset Fluctuation Fund .....	255,000.00
Total Liabilities .....	\$ 18,997,061.67
Surplus to Policyholders .....	1,880,453.96
Total to Balance .....	\$ 20,877,515.63
INSURANCE IN FORCE	
Ages 16 and over .....	69,083     \$ 94,763,715
Ages 0 to 15 .....	38,623     23,736,806
Annuities .....	1,671
Total .....	109,377     \$ 118,500,521

## SUMMARY of GROWTH and PAYMENTS to POLICY HOLDERS

	Ins. in Force	Admitted Assets	Surplus	Interest Earned	Death Claims	Divs. Paid
1918 .....	\$ 676,500.00	\$ 6,735.09	\$ 1,331.47	\$ 68.96	\$ 100.00	\$ ...
1920 .....	2,193,500.00	47,943.34	16,095.95	1,522.17	2,000.00	\$ 935.91
1923 .....	4,112,500.00	237,789.34	61,282.75	10,779.18	12,000.00	6,071.94
1926 .....	14,898,265.00	640,589.4	95,773.04	25,215.02	21,220.00	14,586.01
1929 .....	31,782,650.00	1,781,500.70	178,485.20	80,192.30	75,420.42	63,141.05
1932 .....	40,977,778.00	3,669,975.61	357,610.74	172,518.42	95,260.00	118,964.27
1935 .....	51,028,342.00	5,559,928.85	469,920.35	235,056.19	156,579.87	135,199.49
1938 .....	65,334,512.00	8,737,365.36	849,938.34	379,217.56	150,512.48	214,094.96
1941 .....	82,385,802.00	13,415,045.30	1,360,394.36	594,961.87	179,683.00	310,169.86
1942 .....	89,812,792.00	15,434,430.93	1,529,482.59	705,950.62	216,138.44	349,840.75
1943 .....	101,115,454.00	17,878,949.05	1,777,738.13	772,264.35	258,051.00	409,212.24
1944 .....	<b>118,500,521.00</b>	<b>20,877,515.63</b>	<b>1,880,453.96</b>	<b>831,388.94</b>	<b>352,167.23</b>	<b>476,395.15</b>

## HIGHLIGHTS OF 1944 STATEMENT

GAIN IN LIFE INSURANCE IN FORCE FOR 1944 .....	\$ 17,385,061.00
GAIN IN ASSETS FOR 1944 .....	<b>2,998,566.58</b>
PAID IN 1944 TO BENEFICIARIES .....	\$ 356,009.79
PAID IN 1944 TO LIVING POLICYHOLDERS .....	652,134.22
TOTAL PAID IN 1944 .....	\$ 1,008,144.01
TOTAL BENEFITS SINCE ORGANIZATION .....	\$ 9,414,057.57

**INSURANCE IN FORCE . . . . . \$ 118,500,521.00**

## N.A.I.C. Federal Legislation Group Meets in N. Y.

NEW YORK—The federal legislation subcommittee of the National Association of Insurance Commissioners is meeting here this week to discuss the respects in which the bill recently passed by Congress to preserve state regulation of insurance conforms to and departs from the model agreed on by the association at its meeting here late last year. The object of the discussion is to let the commissioners know as definitely as possible where they stand with respect to supervision of insurance companies. State rating legislation will also be discussed.

All members of the subcommittee will be on hand: Harrington, Massachusetts, chairman, Dineen, New York, Johnson, Minnesota, N. A. I. C. president; Larson, Florida, McCormack, Tennessee,

and Scheuerle, Missouri. Sessions will be executive and will be held at the New York department's New York city office.

### Bankers Life War Losses

Bankers Life of Des Moines paid war death losses on 223 members of the armed forces in 1944 for a total of \$454,963.07. During the last quarter of 1944, it paid 83 war losses totaling \$145,308.

War losses paid in 1944 mounted with the intensity of the fighting, being greater after invasion day and still larger after the allied armies crashed into Germany, the company reports.

**Mrs. L. W. Douglas**, wife of the president of Mutual Life, has been appointed vice-chairman of the division of fund raising of the Red Cross New York chapter. She was chairman of this activity last year.

## THE EXTRA MAN IN YOUR ORGANIZATION



In the fast moving insurance business today situations calling for factual information arise quickly, must be settled quickly. It is at such times that brokers find Connecticut General's "fact knowing" service of real dollars and cents value in their operations.

Connecticut General representatives are part of an organization thoroughly experienced in handling all forms of personal insurance, Group insurance, Pension Trust and Business insurance plans. Because Connecticut General offers all types of contracts for these various forms of protection, Connecticut General service is not only flexible but unbiased.

A Connecticut General representative can be "the EXTRA man in your organization" . . . to place at your disposal facilities to give you technical information quickly . . . to be of great assistance in the analysis of specialized problems and in the planning for their presentation.

\* \* \*

Call the EXTRA man in your organization for this practical "fact knowing" service. He may be reached at your nearest Connecticut General office.

**CONNECTICUT GENERAL**  
LIFE INSURANCE COMPANY  
HARTFORD, CONNECTICUT



BETTER SERVICE  
THROUGH BETTER MEN  
LIFE INSURANCE, ACCIDENT AND  
HEALTH INSURANCE, SALARY  
ALLOTMENT INSURANCE AND AN-  
NUITIES. ALL FORMS OF GROUP  
INSURANCE AND GROUP ANNUITIES

## Life Companies Show Good Gains

### ILLINOIS BANKERS LIFE

Illinois Bankers Life last year made an increase in surplus larger than in any previous year. Net surplus reached \$1,607,817, a gain of \$305,283. Capital is \$200,000. There is a voluntary war mortality fluctuation reserve of \$300,000. Assets totaled \$28,598,380, gain \$960,006.

The market value of bonds is \$385,000 in excess of the value at which they are carried.

Government bonds were purchased in the amount of \$4,352,656, which increased the total amount to \$11,691,647.

Life insurance in force is \$110,308,880.

### INDIANAPOLIS LIFE

Insurance in force in Indianapolis Life increased \$9 million in 1944, bringing the total to \$142 million.

Payments to living policyholders amounted to \$944,365 and to beneficiaries \$625,286.

Assets increased \$3,853,452, the largest increase in history. The total is \$38,307,388. Surplus increased \$261,033, bringing the total to \$2,473,450.

New business was 16.3% greater than in 1943.

The market value of the bond account exceeds by \$381,355 the asset value.

Holdings of government bonds were increased by \$5,600,400 to \$14,813,575.

### PEOPLES LIFE, D. C.

Peoples Life of Washington, D. C., in its new statement shows assets \$24,759,459, as contrasted with \$20,552,240; capital is \$400,000 and net surplus \$1,025,601. Insurance in force is \$266,962,150, as compared with \$232,278,488.

### WASHINGTON NATIONAL

Assets of Washington National rose to \$64,630,594, an increase of \$5,838,319. Life insurance in force totaled \$317,520,442, a gain of \$29,330,077. Premium income reached \$19,613,980, representing an increase of \$2,122,291. Surplus to policyholders rose to \$9,008,650, an increase of \$1,888,633. Every department showed a gain in 1944.

### Rehabilitation Is Chicago Topic

The Chicago Claim Association at its dinner meeting at 310 South Michigan avenue March 13 will hear a discussion of rehabilitation of disabled persons by C. E. Hostettler, chief of the vocational educational department of the Veterans Administration for the Chicago area, and R. W. Teeter, acting state supervisor, division of rehabilitation, state of Illinois.

E. O. Adler, Mutual Life of New York, president of the association, will be in charge of the meeting.

Members of the Casualty Adjusters Association and the Chicago Accident & Health Association have been invited to attend.

### McCarran Declines Judgeship

Good news to insurance was Senator McCarran's announcement declining offer of appointment to a federal judgeship. He was reelected for a third term last November. He is chairman of the judiciary committee, which may be called upon to handle insurance legislation during the next few years.

### Investment Changes in Illinois

The Illinois insurance department is expected shortly to sponsor legislation for revision of the investment statutes that will have the effect of enabling Illinois companies to participate more freely in programs for the direct purchase of securities issues. At present there is a limitation on what a company can invest in any particular issue of 2% of its assets and 10% of any issue of securities. It is proposed to retain the 2% of asset limitation but to remove the 10% of issue restriction.

## Ind. Legislature Adjourns; Passes Several Measures

INDIANAPOLIS — Upon adjournment Monday the Indiana legislature had passed several measures that had direct bearing on the insurance business.

The bill which broadened the scope of investment of life insurance funds was passed with the provision that all such funds are now subject to supervision by the insurance department instead of being limited to the legal reserves as formerly. The provision in the original bill that would have terminated the requirement that reserve funds be deposited with the insurance commissioner was stricken out.

The commissioners valuation tables were approved.

Fraternal societies have been given authority to issue educational policies in larger amounts than formerly and to carry into later years.

One measure passed legalizes all acts of the insurance department over the past two years. This was considered necessary as there was a technicality involved in legislative action two years ago, under which the status of the insurance department was left in doubt.

Authority to write group insurance on members of associations has been granted.

### Chile Suggests "Insurance Day" for Hemisphere

WASHINGTON — Conferences have been proceeding between representatives of the U. S. Chamber of Commerce and the Inter-American Development Committee on a suggestion received from Chile that a "Hemispheric Insurance Day" be proclaimed. Object would be to bring about closer relations between insurance interests in Latin America and in the United States.

This matter is expected to receive attention at the March 22 meeting.

### Burial Society Bill in Ill.

Senator Barry has introduced in the Illinois legislature a bill requiring all burial societies to comply with the regulations governing assessment legal reserve life companies and to prohibit the organization in the future of any new burial society. It is believed that virtually none of the burial societies could meet the reserve requirements of the assessment company article. This is not an administration measure. It is believed that the department may introduce a less drastic measure to strengthen the requirements as to burial societies.

### Crabbe to Hear A. I. U. Claims

COLUMBUS, O.—Upon its own initiative, the court of appeals here has named J. Roth Crabbe, former insurance superintendent, to hear and determine the validity and priority of claims filed in the American Insurance Union receivership. Claims total \$2,000,000, it is said, and the receiver, Hugh M. Bennett, has in his possession about \$850,000, of which \$755,000 was realized from the recent sale of the A.I.U. building here. Mr. Crabbe was a co-receiver with Mr. Bennett in his capacity of state superintendent of insurance.

### Establish New Persistency Records

LOS ANGELES—More than 200 agents of Occidental Life of California qualified for the persistency honor roll as of Jan. 1, with second-year renewal persistency records of 75% or better. 31 having 100% records while 120 agents were better than 90%. The least amount of individual business measured was \$50,000, which is the minimum for honor roll qualification. Most of the 200 honor agents produced many times the minimum requirement. Frank Longo, home office agency, qualified for the Million Dollar Round Table during the period when the business was produced, and his very large production renewed at the rate of 99.95% to set a new company record.

March 9, 1945

## LIFE INSURANCE EDITION

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**L.A.A. Cancels Annual Round Table Sessions**

Lewis B. Hendershot, Berkshire Life, president of Life Advertisers Association, has announced that in conformity with the ODT's request to restrict travel, the spring annual round table meetings for the eastern, northern central, and the southern round tables will be cancelled.

A meeting of the executive committee will be held at the Pennsylvania Hotel in New York City on March 19 to lay the plans for the coming year. A convention by mail may be conducted.

**Debate on Medical Cover Is Held at New York**

NEW YORK—The city's doctors were invited by Mayor LaGuardia to join in his post war plans to set up a voluntary medical insurance plan, warning them, "Like it or not, it's going to be done." LaGuardia was one of five speakers at a symposium sponsored by the Society of Medical Jurisprudence. Dr. N. B. VanEtten, past president American Medical Association, called the Wagner-Murray-Dingell bill the work of "political theorists in the social security administration who would substitute discredited European systems of compulsory sickness insurance for our American evolution which exhibits such rich vitality."

Compulsory health insurance is in operation in many countries but is "giving satisfaction in none," Col. L. H. Bauer, army medical reserve corps, declared. Dr. W. W. Herrick, president New York Academy of Medicine, called for a minimum of political control over medicine, asserting the federal government's entry into the field under compulsory insurance would make the government "master of the doctor, not the patient."

A fuller opportunity for the medical profession to meet demands for medical insurance before government supervision is put into effect was called for by J. K. Clark, corresponding secretary of the society. "To my knowledge government agencies have not proved their ability to operate effectively or economically," he said.

Medical societies in the metropolitan area are sponsoring a medical prepayment plan offered by United Medical Service which is already in operation.

**"Conspiracy" Suit Dismissed**

NASHVILLE — The \$100,000 conspiracy suit of Joseph G. Lackey, Nashville attorney, against Metropolitan Life has been dismissed in a final judgment order after four years of litigation. The court held there was "no material, determinative evidence to support a verdict in the plaintiff's favor." Lackey claimed "persecution" by the company because he had represented 800 holders of Metropolitan industrial policies with surrender values in claims filed through the Industrial Adjustment Bureau, operated by his brother and for which he served as counsel. A petition for a writ of certiorari also was denied.

**Boston Librarian Retires**

D. N. Handy, librarian and secretary-treasurer of the Insurance Library Association of Boston, has retired. Miss Abbie G. Glover is now the librarian.

Mr. Handy became librarian of the Boston association in 1901, went to the University of Porto Rico in 1903, and returned to the Boston association in 1908. He was active in the formation of the Insurance Institute of America, and was four terms president of the Special Libraries Association. He has written extensively on the subject of insurance material.

Miss Glover has been assistant librarian of the Insurance Library Association of Boston since 1922, and was elected assistant secretary-treasurer in 1942. She has served two terms as

president of the Boston chapter of the Special Libraries Association.

**Worthington Philadelphia Speaker**

William P. Worthington, vice-president and superintendent of agencies of Home Life spoke at a luncheon meeting of the Philadelphia General Agents & Managers. He outlined the plans of the agency management committee of

which he is chairman, and some of the problems involved in studying improvements in agency management. He pointed out that the questions of compensation, selection, training, etc., should always be considered in relation to the particular group to which they would be applied. He suggested that responsibility for improvements in agency management lies with the home office management as well as the management in the field organization.

"It is possible to get a satisfactory volume of business without building successful men, but it is impossible to build successful men without getting satisfactory production results," he said.

**Lt. Worth B. Babbit**, formerly district manager for the John W. Yates agency of Massachusetts Mutual at Santa Ana, Cal., has been awarded the silver star for gallantry in action in Germany.

# The Guarantee Mutual Life Company OF OMAHA

Organized in 1901  
Presents Its  
**43rd ANNUAL STATEMENT**

**ASSETS**

Cash .....	\$ 961,552.64
<b>Bonds:</b>	
U. S. Government Bonds... \$ 8,838,977.85	
State, County, Municipal and All Other Bonds ..... 17,109,966.43	25,948,944.28
<b>First Mortgage Loans.....</b>	3,326,458.33
First Mortgages on City, Farm, and Other Properties	
<b>Stocks .....</b>	737,631.00
Market Value, dividend paying stocks of successful corporations.	
<b>Home Office Property.....</b>	307,000.00
Reduced annually by proper depreciation charge.	
<b>Real Estate .....</b>	411,691.09
Sold, and being liquidated under sales contracts.	
<b>Other Real Estate.....</b>	181,525.50
Reduced to sound values and held pending favorable sale.	
<b>Policy Loans .....</b>	3,176,253.53
Loans to policyholders, fully covered by Legal Reserve.	
<b>Interest Accrued .....</b>	255,069.61
Interest not yet due but earned on invested funds.	
<b>Premiums in Course of Collection..</b>	945,487.42
Fully secured by Legal Reserve.	
<b>Other Admitted Assets.....</b>	83,708.45
<b>Total Assets .....</b>	\$36,335,321.85

**RESERVES AND LIABILITIES**

<b>Policy Reserves .....</b>	\$28,877,128.00
The legal reserve required by law, to guarantee payment of all policy obligations at maturity.	
<b>Present Value of Benefits Payable in Future .....</b>	1,097,621.00
Reserve covering policy proceeds left with the Company under various optional settlements.	
<b>Reserve for Claims Awaiting Proofs .....</b>	201,456.09
Reserve for all reported claims, on which completed proofs have not reached the Company.	
<b>Reserve for Taxes, Etc.....</b>	161,935.00
Reserve to cover accrued taxes, expenses, etc.	
<b>Dividends Payable to Policyowners..</b>	593,091.08
Surplus earnings to be distributed to policyholders and dividends held at interest.	
<b>Advance Premiums and Trust Funds</b>	1,661,340.30
Premiums paid in advance and trust funds, with interest, held for policyholders.	
<b>Total .....</b>	\$32,592,571.47
<b>Voluntary Surplus Reserve .....</b>	1,000,000.00
Carried in addition to all required reserves as an added safeguard against any contingency.	
<b>Surplus Unassigned .....</b>	2,742,750.38
Additional protection to policyholders.	
<b>To Balance Assets.....</b>	\$36,335,321.85

**RESULTS FOR THE YEAR 1944**

<b>Insurance in Force.....</b>	\$181,474,179.00
<b>Assets .....</b>	36,335,321.85
<b>Increase in Admitted Assets.....</b>	3,550,064.03
<b>Surplus Funds Now Total.....</b>	3,742,750.38
<b>Premium and Investment Income.....</b>	6,787,370.69
<b>1944 Payments to Policyholders and Beneficiaries.....</b>	2,130,059.33
<b>Total Payments Since Organization.....</b>	45,643,230.41

J.W. Hughes  
President

## EDITORIAL COMMENT

### Non-Agency Competition Again

INDICATIONS that the New York savings bank life insurance system is seeking to have the present statutory limit of \$3,000 per life raised to \$7,500 is disquieting, particularly in view of possible eventual efforts to have the ceiling taken off entirely. Furthermore, with the Bowery and other large banks now in the system it appears that savings bank life insurance in New York may furnish quite a different type of competition from the rather innocuous rivalry to date.

It appears that life insurance men in New York state may have to develop a special brand of competitive skill, for it may be extremely difficult if not impossible to offset the banks' inroads in any other way.

Offhand it would seem that the average American buyer of life insurance is too decent a fellow to let an agent sell him on life insurance, work out a program for him and give him the best advice he is capable of giving, and then go around the corner and buy it across the counter from a savings bank. Yet such things happen. Perhaps it will be necessary for agents to determine very carefully what type of man they are dealing with before they waste much time on him.

Every type of business that employs salesmen has the same type of competition from sellers which sell direct to the buyer and to a large extent get a free ride from those that go in for aggressive sales promotion. In the general insurance field the conflict between agency and non-agency companies is much more serious than in the life insur-

ance field. It does not seem possible that the savings banks will ever write as big a percentage of the total business, even where they are most strongly entrenched, as the non-agency fire and casualty insurance companies obtain in their fields.

Some general insurance buyers deal with their local agents because of failure to look into what the cut-raters or dividend-paying mutuals will do. It is safe to say, however, that most of the local agents' customers are well aware that they could get their coverages cheaper somewhere else but prefer to pay a little more in order to have the services of a competent local man in whom they have complete confidence. Existence of non-agency competition has undoubtedly served to put the agency system on its mettle in the general insurance field.

It is unfortunate that savings bank life insurance works to the advantage of chiselers who will take all the advice and motivation that an agent has to give and then do him out of his commission by going to the bank but there is some salvage in the fact that this competition, unfair though it may be, does the most harm to the incompetent, poorly-trained agent and gives the least trouble to the agent who has enough ability to sell his prospect not only on life insurance but on the value of his services, not merely in making the sale but as his adviser on insurance problems that will arise from time to time in the future. An agent who has failed to sell himself on this basis may be making a more serious mistake than he realizes.

### Influence of Distinguished Names

THE UNION CENTRAL LIFE in one of its agency bulletins published a two-page spread entitled "Distinguished Citizens." They are some of the prominent persons who are insured in the company. There is always much interest on the part of everyone on the attitude of successful business and professional people toward life insurance. After all we are hero worshippers and we like to check our own opinions and judgment with others.

Advertising men realize the influence of "testimonials" from well known people. In fact, a number of persons whose names are frequently in the public press are paid for the use of their names in championing some product or service.

Probably one of the best selling mediums that an agent has is a list of people that are known to carry insurance in his company and certainly a list of

those who have been the beneficiaries of life insurance forms a formidable selling document. THE NATIONAL UNDERWRITER gets out once a year a special edition devoted to statistics including names of those who have died and left insurance. Agents find this a most desirable bit of information to have. It gives selling momentum to their canvassing. Most of us are influenced by what successful and well known people do.

"If at first you succeed, congratulate yourself. You're on the right track."

"THE biggest ship that ever sailed the Sea of Commerce is Salesmanship."

"BROAD is the gate of policyholders and blessed are those who enter."

"CHARACTER is like a fence—it cannot be strengthened by whitewash."

## PERSONAL SIDE OF THE BUSINESS

**Comm. Henry G. Mosler**, formerly with the Massachusetts Mutual in Los Angeles, who at the time of entering service was chairman of the Million Dollar Round Table, has been placed on inactive duty by the navy, and has returned to Los Angeles, where he will resume his life insurance work.

**H. E. Hilton**, U. S. Chamber of Commerce insurance department, this week became the father of a girl baby, weight 7 pounds, 1 ounce.

**W. Harold Bittel**, who has been named actuary of the New Jersey department to succeed A. N. Guertin, was born at Peoria, and is a graduate of the University of Michigan where he specialized in courses in actuarial science. Following graduation in 1926, he went with Peoria Life, where he became assistant actuary. In 1934 he became associated with the consulting actuarial firm of Woodward, Ryan, Sharp & Davis, New York. In 1943 he was appointed chief assistant actuary in the New Jersey department. He is a fellow of the American Institute of Actuaries and Actuarial Society of America and an associate of Casualty Actuarial Society.

**Harold H. Peters**, who joined the Paul C. Kaul agency of Connecticut Mutual in April of 1943, having moved to Omaha from Lawrence Kan., and a newcomer to Nebraska, was still able to win the agency plaque for 1944. The plaque is awarded to the agent doing the best all around job on a point system.

The Kaul agency won for the second year in succession in 1944, the President's Organization Trophy.

**Kuper Hood, Jr.**, for over 15 years with Northwestern Mutual Life, has returned to the W. J. Mack agency at Cincinnati after serving as field director of the American Red Cross for more than a year attached to the 371st fighter bomber group. **Major Robert L. Mayer** of the same agency has been placed on inactive duty after serving as executive officer of the 497th bombardment squadron of the ninth air force in England for more than a year.

**Laurence F. Lee**, president American Life Convention, and president Occidental Life of Raleigh and Peninsular Life, will be a director of the U. S. Chamber of Commerce for two years beginning next July, it was stated after nominations closed last week. Choice of Mr. Lee was unopposed from the chamber's fourth election district, which includes Mr. Lee's home state of Florida.

**Leland E. McCluer**, San Antonio, district manager of New England Mutual Life, will go overseas as field director for the Red Cross after three weeks training in Washington.

**Leon LaBounta**, for many years Minneapolis general agent of Penn Mutual Life, is a patient at Abbott hospital there. He retired recently as general agent.

**William G. Warren**, manager of the Chicago clearing house and agency inspector of Mutual Life of New York, who is retiring on Aug. 31, after 44 years of service, joined Mutual Life in June, 1901, as a clerk in the Peoria, Ill., office. Roy B. Klager, his successor, has been agency assistant at the home office and was formerly cashier at the Balti-

more agency. He will take his new post immediately as office manager of the clearing house.

After 18 months in the Peoria office, Mr. Warren was appointed assistant cashier in the Springfield, Ill., agency, and in 1904 was named cashier there. In 1909 he was transferred to the St. Paul agency, as cashier. A year later he became cashier of the St. Louis agency, and in 1911 he was appointed cashier of the central Illinois agency.

Later that year Mr. Warren became manager of the metropolitan clearing house in New York City and the next year he was appointed an agency inspector at the home office. He was named cashier of the Chicago agency in 1914. In 1926 he was appointed manager of the Chicago clearing house and agency inspector, from which position he is now retiring.

A letter written Feb. 6 under fire at the height of the battle for Manila has been received by United States Life from **Paul R. Danner**, executive of the company in the Philippines before the invasion. It confirms the liberation of Mr. Danner and his family from the Japanese and gives word of **Dr. Frank Baldwin**, associate medical director of the company, and his wife, and of **Mrs. Ethel Newman**, resident secretary of the company for the Philippines.

Mr. Danner's confinement by the Japanese was made somewhat more tolerable than that of most prisoners because he was entrusted by the Japanese with the business of handling supplies for the prisoners and was enabled to obtain for them some small concessions. The responsibility and activity kept his spirits up, although he did not escape the debilitating effects of poor diet.

**H. H. Armstrong**, vice-president of Travelers, was honored on his 40th anniversary with the organization. The agency department gave a dinner and presented him a gift. J. O. Hoover, superintendent of agencies, was toastmaster. Those in the field sent congratulatory letters and reports on a successful 40-day production campaign, conducted as a special tribute to Mr. Armstrong. About three times as much new business was written as compared to the same 40 days last year. Mr. Armstrong has spent 37 years in the home office organizing and directing agency department affairs. He was special agent in the liability department at St. Louis, then manager of the liability department at Indianapolis before going to the home office as agency assistant. In 1911 he became assistant superintendent of agencies, in 1924 superintendent of agencies, and in 1927 vice-president.

## DEATHS

**Edward T. Westlake**, 65, an assistant secretary of North American Reassurance, New York City, died there. Mr. Westlake was associated with the company 17 years, his duties having been principally handling claims and tax matters.

**Edwin L. Petrie**, a broker connected with the Insurance Exchange branch office of Travelers in Chicago for about 25 years, died at his home in Downers

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Grove, Ill., after an illness of seven years. He became inactive about 1937 and since then had been receiving a total and permanent disability benefit from Travelers. He joined that company in Chicago after being discharged from the navy after the former world war and became a substantial producer.

**Warren E. Westcott**, 42, former manager of Reliance Life for Utah and Idaho, died in Salt Lake City of a heart attack. Of late he had been engaged in mining.

**John R. Amber**, 23, son of Harrison L. Amber, president of Berkshire Life, was killed in France Jan. 17 in a train wreck. At the time of his death he was a member of the army medical corps. He enlisted in October, 1942, and went overseas in December, 1944.

**Henry H. Mansfield**, 45, agency supervisor of Massachusetts Mutual Life in Chattanooga, Tenn., secretary-treasurer of the Chattanooga General Agents & Managers Association and past president of the Chattanooga Association of Life Underwriters, died there following a long illness. He had held his present position since 1939.

**Fred Colton Smith**, who had completed 45 years in the mortgage loan department of Travelers, died in Hartford.

## War Service

Oscar W. Carlson, president of Reliance Mutual Life, Chicago, has three sons who are lieutenant colonels in active combat duty in foreign lands. H. O. Carlson, formerly the agency manager and actuary, commands the 124th battalion of field artillery in the northern Luzon battle, a unit which has been prominently mentioned in newspaper dispatches. His battalion is a part of the Illinois National Guard, 33rd division. He entered the army in March, 1941, was instructor in the artillery school at Ft. Sill, Okla., for a year and has been overseas for two years. R. P. Carlson commands the 122nd battalion of field artillery which also is in the thick of it in Luzon. S. E. Carlson is supply officer of the 13th airborne division in France which has taken a very active part in reducing the Belgian bulge.

**Maj. William B. Monroe** is now stationed at Roswell, N. M. He has been in the army 2½ years. Prior to the war he was an agent for Union Central at New Orleans and he is a life member of the Million Dollar Round Table.

**Lt. Frederick C. Schrader**, member of the home office staff of Penn Mutual Life, has been awarded the army's bronze star medal. He was cited for heroic achievement in action during October in Italy.

## AGENCY NEWS

### Paschall-Gist Leads P.M.

LOS ANGELES—The Paschall-Gist agency, Los Angeles, led Pacific Mutual Life in 1944 in volume of business placed, premiums paid and in Big Tree Club units. The agency paid for \$25,000,000 life insurance, with a total of 54,347 Big Tree units. This is the largest production record for any Pacific Mutual agency since 1927. Individual honors in the agency went to Hugh Martin for combined premiums paid and in Big Tree club units. Robert A. Brown ranked second, leading in face amount of business produced. Mrs. Hilda Bairnson ranked third, on the basis of combined premiums paid.

### Kern Trophy to Cleveland

The Cleveland agency of Bankers Life of Iowa won the Kern trophy for all around progress in 1944 based on agency, new manpower and monthly quotas. The trophy, awarded to Manager G. E. En-

sign, is presented by E. P. Kern, assistant superintendent of agencies, to the leading office in the northeastern territory, including 13 branches, which he supervises.

### Brink Profit-Sharing Club

The Michigan Century Club, profit-sharing organization for agents of the Mutual Benefit Health & Accident and United Benefit Life associated with the E. B. Brink agency in Detroit, has been expanded. Each agent who gets 50 "apps" in a month gets a \$25 war bond and for 100 "apps" or more a \$50 bond, while the leading agent of the state each month gets an additional \$25 bond. A dinner and entertainment is provided by the agency each month, to which husbands and wives are invited.

## MANAGERS

### Discuss Legislation in Wichita

WICHITA, KAN.—The Wichita General Agents & Managers Association discussed legislative matters including a proposal to set up a burial insurance plan with Kansas mortuaries and a proposal to set up a surgical benefit plan among the physicians similar to the Blue Cross hospitalization plan. A committee was appointed to work with the mortuary group to see if present facilities could be used to advantage. A movement to amend Kansas statutes to permit writing of family group policies for health and accident was endorsed as a means of offsetting the need for surgical benefit insurance. A resolution is also being adopted urging the insurance commissioner to obtain authority from the legislature to revise the Kansas insurance code as it has not been brought up to date since adoption in 1927.

### Dey Speaks in Newark

NEWARK—J. Stanley Dey, Newark manager of Manufacturers Life, spoke to the General Agents & Managers Association of Northern New Jersey.

### Weidenborner S. F. Speaker

Frank F. Weidenborner, agency vice-president of Guardian Life, will discuss present day recruiting problems before the San Francisco General Agents & Managers Association at a luncheon March 13.

### Easton Discussion Leader

W. S. Easton, Cleveland manager of Home Life, was the discussion leader at the March 6 meeting of the Cleveland Life Insurance Executives Club on program systems and results.

Mayor Riley addressed the meeting of the Life Insurance Managers Association of Oregon at Portland on post-war matters.

Preston D. Richards will address the Life Insurance Managers Association of Los Angeles March 12 on "The Constitution of the United States."

### L.A.A. Adds 17 Members

Joseph B. Treusch of United States Life, chairman of the membership committee, announces that 17 new members have been elected to the L. A. A. since he became chairman last fall. They are: Robert D. Richards, Home Life of New York; Stuart Benedict, and R. F. Kieffer, Metropolitan; Carl T. Clifford, Monarch Life; Russell V. Vernet, Mutual Life; T. J. Davin and A. L. E. Crouter, New York Life; John W. Walker, Postal Life & Casualty; Lillian E. Yelland, Provident Mutual; George E. Potter, Prudential; Henry W. Fouts, Bankers Life of Nebraska; Grace M. Kean, Penn Mutual; W. C. Ellis, American Mutual; James R. Adams, Sales Research Bureau; Mrs. Eulalia H. Seay, Shenandoah Life; Don C. Brown, Canadian Life Insurance Officers Association; Thomas J. Hammer, California-Western States.

## MORE THAN A BILLION AND A QUARTER OF LIFE INSURANCE IN FORCE

During 1944, enjoyed  
a gain in life insurance  
in force amounting to

**\$132,000,000.**

This result for the year  
brought the total life  
insurance in force in  
our Company on De-  
cember 31 to

**\$1,261,000,000.**



# The NATIONAL LIFE AND ACCIDENT Insurance Company, Inc.

HOME OFFICE  
**NASHVILLE** TENNESSEE  
NATIONAL BLDG.  
SHIELDS YOU

## COMPANIES

### Federal Life Takes Steps to Mutualize

Plans for mutualization of Federal Life are well under way, according to an announcement.

The plan contemplates the purchase by the company of the outstanding capital stock over a period of years with a protective provision that the payment for the stock shall not be made in any year if such payment would reduce the excess security to policyholders below a certain percentage of policy reserves.

The plan has been approved by the directors and the Illinois department. A meeting of stockholders has been called to consider the plan.

When all the requirements of the statutes have been fulfilled the plan then will not become effective until such time as the entire stock has been purchased in accordance with the terms and provisions of the plan. Thereafter the company will belong to the policyholders and will be known as Federal Mutual Life.

The price at which the stock is proposed to be purchased is \$30 per share. There would be an initial payment of \$7.50 and \$1.50 annually for 15 years and interest would be paid, if earned, at the rate of 2% on the unpaid balance.

Federal Life at the end of 1944 re-

ported capital \$1 million and net surplus \$1,442,511.

Stockholders of Federal Life meet March 12 to act on the proposal.

It is proposed that all stock that is purchased be transferred and issued and held in the names of L. D. Cavanaugh, president; Spencer Keare, executive vice-president, and Miriam Keare, director, as trustees for the policyholders with the power to vote the stock. It is provided that successor trustees if any shall be, first, Isaac Miller Hamilton, chairman; then A. F. Wieland, secretary, then A. R. Thompson, treasurer, and finally Lake Shore National Bank.

It is provided that if in any one year the 5% payment in purchase of the stock shall reduce the excess security to policyholders below 5% of the net present value of life insurance policies and the accident and health premium reserve the time for making payment to stockholders will be extended.

#### Amalgamated L. & H. Audited

Amalgamated Life & Health of Chicago at June 30, 1944, had assets \$640,130, capital \$200,000 and net surplus \$416,925, according to the report of an examination by the Illinois department. The majority stockholder is Amalgamated Social Benefits Association which is affiliated with the Chicago board of Amalgamated Clothiers Union. The actual operating executive is Lowell D. Pittman, manager. It provides group life, accident and sickness and hospitalization insurance to Chicago members of Amalgamated Clothing Workers who have completed three months of serv-

ice with an employing manufacturer.

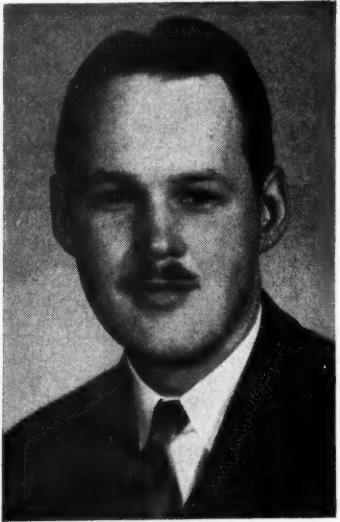
Net premiums written in the casualty department for the first six months of 1944 totaled \$76,462 and loss payments were \$54,022.

The life insurance premiums were \$46,550 and death claim payments and premiums waived totaled \$24,686. Life insurance in force totaled \$4,893,000.

## COMPANY MEN

### Lindsley, Young Are Advanced

Farmers & Bankers Life has elected Herbert P. Lindsley vice-president and educational director, and has promoted Carl M. Young to assistant secretary.



H. P. LINDSLEY

as a member of the company's underwriting committee. Mr. Young is a graduate of the Sales Research Bureau school of agency management. He is executive vice-president of the Institute of Home Office Underwriters.

### New President of Atlantic Life

Robert V. Hatcher, the new president of Atlantic Life, has been associated with that company since 1930, and for



ROBERT V. HATCHER

the past two years has been executive vice-president. A graduate of the University of Virginia law school, he engaged in the practice of law in Richmond and was a member of the Richmond city council prior to joining Atlantic Life.

### Four Move Up in Columbian National

Directors of Columbian National Life have elected Carl C. Mullen first vice-president and secretary; Julian D. Anthony a vice-president, and Robert G. Ward an assistant treasurer. Christo-



C. M. YOUNG



J. D. Anthony      C. C. Mullen

pher F. Lee was appointed manager of the accident and health department.

Mr. Mullen has held various offices and been a director and a member of the executive and finance committees for a number of years. In his new post he will be in charge of home office personnel and of general administrative work of the company, under the supervision of the president. He will continue in charge of real estate and mortgages.

Mr. Anthony formerly was second vice-president and assistant treasurer. He has for several years had administrative supervision of the company's bond portfolio, under the comptroller, President C. N. Sears. He is a director and is secretary and a member of the finance committee.

Mr. Ward has been assistant secretary in charge of the service loan department, a position which he continues to hold in addition to new duties.

Mr. Lee formerly was accident and health underwriter. He is president of

## What Makes a Company Grow?



ON this significant anniversary, we pay tribute to our loyal fieldmen, past and present, whose intelligent service to the insuring public has made our Company grow throughout a century

grow throughout a century

**The Mutual Benefit Life Insurance Company**  
Newark, New Jersey

in which capacity he has served for the past six years. During this time the educational department has developed a comprehensive training program for new men based upon an eight day training school at the home office.

Mr. Young has been statistician of the company. He has been with Farmers & Bankers more than 25 years, starting as office boy. He has served as head of several departments. In recent years, he has done much successful field work with general agents and has been active

the Boston Accident & Health Association and a member of executive board of the National association.

### Thomas, Moore to Superior Posts in Shenandoah

Shenandoah Life has elected Henry E. Thomas as first vice-president and Richard M. Moore of Washington, D. C., as vice-president.

Mr. Moore joined Shenandoah in 1930



**H. E. Thomas**

**Richard M. Moore**

as an agent in the home office agency. In 1934 he was transferred to the group division and was placed in charge of the Washington office. In 1941 he was appointed assistant vice-president.

Mr. Thomas has been with Shenandoah since 1927 and was elected a vice-president in 1938.

### Higgins Assistant Medical Director of U. S. Life

Dr. Eugene V. Higgins has been appointed assistant medical director of United States Life. He is a graduate of Seton Hall College in New Jersey and Jefferson Medical College at Philadelphia. Following his internship at Jefferson Hospital he was appointed a member of the surgery staff there, and, in addition to maintaining a private practice, was associated with Dr. Warren B. Davis, clinical professor of plastic and reconstructive surgery at Jefferson Medical College.

Dr. Higgins subsequently served on the medical staff at Jefferson Hospital where he was awarded a fellowship in hematology.

### Chas. A. Wood, Penn Mutual 48 Year Veteran, Retires

Charles A. Wood, assistant secretary of Penn Mutual Life, has retired after 48 years of service. His duties have always been concerned with accounting and he has been assistant secretary 24 years.

He was educated at Friends Central School in Philadelphia. Beginning at the age of 8 he became a wellknown church soloist. He also sang with the glee clubs of Penn Mutual, Y.M.C.A., and Fellowship Club of Lansdowne. He is secretary and treasurer of the Mink Pond Hunting & Fishing Club in the Poconos.

### Metropolitan Advances Several Medical Men

Drs. Albert O. Jimenis, H. H. Fellows and A. J. Lanza, former assistant medical directors, have been appointed associate medical directors of Metropolitan Life. Dr. George M. Wheatley, formerly assistant medical director, was made assistant vice-president in the welfare division.

### Wood Leaves Farm Bureau Life

Richard P. Wood, who since 1941 has been special home office representative in the sales department of Farm Bureau Life of Ohio for life and group lines, has resigned as of April 1. He has a comprehensive knowledge of the underwriting and sales aspects of group insurance and also has had actuarial experience. Prior to 1941 he did the life

actuarial work for Farm Bureau Life. He was transferred to the sales department at his own request.

### Whinery Leaves Mutual Benefit

NEWARK—Dr. Joseph F. Whinery, assistant medical director Mutual Benefit Life, who is now a captain in the army, has resigned. He plans to return to private practice after the war. Dr. Whinery was appointed to the medical board in 1938. He joined the army in 1942 and has been located at Ft. Sheridan, Ill.

## POLICIES

### Broad Group Line Brought Out by Lincoln National

Lincoln National Life has come out with a very broad line of group contracts as a result of the establishment recently of its new group department. An unusual feature is that Lincoln National will consider groups of as little as 25 with group underwriting for all types of employee and dependent casualty coverage. It also will write group or wholesale life insurance for groups of 10 to 49 employees with individual underwriting.

Further downward adjustments in the schedule of extra premiums for airplane passengers, pilots and crew members have been made, the extra premium per \$1,000 being \$5 on civilian pilots and crew members on scheduled passenger airlines operating in the United States and Canada, this rate also applying to properly qualified pilots operating on company-owned planes maintained for transportation of company officers; \$15 per \$1,000 to as low as \$5, dependent upon total amount of flying experience, on civilian pilots with private pilot certificates; extra premium for student pilots reduced to \$15 per \$1,000; extra of \$7.50 per \$1,000 for civilian pilots employed as instructors or engaged in charter or sightseeing flying; and passengers on scheduled airlines accepted at standard for life coverage irrespective of the amount of annual flying time, as at present.

### Commission Scale Improved

The company has liberalized commissions on small group coverages so that the percentage paid to agents is 50% greater than that current in the past, and in addition to the regular nine renewals of 5% each, Lincoln National will pay a service fee of 5% after nine years for life if the agent services the business.

Lincoln National is prepared not only to issue group life insurance for employees, but also group accidental death, dismemberment and loss of sight, group accident and sickness, group hospital expense, group surgical expense, and for dependents will write group hospital expense and group surgical expense. In addition it will issue group annuities. Among the group life forms written is the more modern group permanent.

An unusual feature of Lincoln National's commission plan is that in addition to paying the first year commission of increased amount on policies that originally go into the group, it also will pay first year commissions of the same percentage on all later additions to the group.

### Berkshire Life Continues 1944 Dividend Scale

Directors of Berkshire Life have voted to continue the present dividend scale for the dividend year beginning May 1, 1945.

Interest on dividend accumulations and on funds under settlement options has been continued for the calendar year 1945 at the previous rate of 3%, or the guaranteed rate, where higher.

## U. C. MILESTONES OF '44...

OVER \$1 BILLION PAID TO BENEFICIARIES AND POLICYHOLDERS

Union Central is rightfully known as a "policyholders' Company" . . . having joined the small group of great life insurance companies that have paid out over \$1 billion in benefits.



This large amount of money has been carefully invested for the security of U. C. policyholders and their beneficiaries.

FOUNDED IN 1867

**THE UNION CENTRAL  
LIFE INSURANCE COMPANY**  
CINCINNATI, OHIO

## LIFE AGENCY CHANGES

### Little Resumes Post with Connecticut Mutual

D. C. Little has returned to Richmond, Va., as general agent of Connecticut Mutual after serving in the navy as lieutenant for 2½ years.

Mr. Little served with the Pacific fighter squadron and carrier squadron for 1½ years, and participated in attacks on Wake Island, in the occupation of the Gilbert Islands, and in the first attack on the Marshall Islands.

For the last six months Mr. Little was with the air force of the Atlantic fleet. Before entering service Mr. Little had been with Connecticut Mutual 10 years.

### G. B. Byrnes Joins Stever

George B. Byrnes of Phoenix, Ariz., has become associated with the Ron Stever agency of the Equitable Society in Los Angeles. He joined Equitable in 1935 and in 1941 was made district manager at Phoenix. He is a C. L. U. degree holder and qualified for the Million Dollar Round Table last year.



HOW GREAT IS THE GAP BETWEEN THE TRAINING WORK OF THE COMPANIES AND THE WORK OF THE C. L. U.?

IT IS FAR NARROWER THAN AT FIRST THOUGHT MIGHT BE ASSUMED. Most of our large companies and many of the smaller companies have well-organized two-year training programs providing preliminary, intermediate and advanced work, effectively bridging the so-called intermediate gap.

In many cases, these programs are built from company material plus the intermediate and advanced courses of R & R and of other training agencies. Tested text material, therefore, is available.

Effective procedures for administering the "gap" program in addition to the work of the companies are also available: the Association Schools, the work done in many state universities, the extension work of R & R. One or two states are now making elaborate plans for statewide traveling schools. Purdue is planning an extensive enlargement of its insurance schools.

CERTAINLY THE AREA OF INTERMEDIATE TRAINING IS IMPORTANT AND DESERVING OF CAREFUL STUDY BASED NOT ONLY UPON WHAT CAN BE DONE BUT ALSO UPON THE WORK WHICH ALREADY HAS BEEN DONE.

**K&L**  
PAUL SPEICHER  
Managing Editor  
**THE INSURANCE  
RESEARCH & REVIEW SERVICE**  
INDIANAPOLIS

### M. W. Bleetstein Equitable Agency Manager in N. Y. C.

Monroe W. Bleetstein has been appointed agency manager in New York City. He succeeds Charles Wasser, who continues as associate agency manager, but will devote more time to personal production. He will, however, also have charge of a unit organization.

Mr. Bleetstein is a brother of A. Bleetstein, agency manager for the same company. M. W. Bleetstein has been associated with his brother as unit manager for a number of years and has been successful in both personal production and in organization work.



M. W. Bleetstein

### Whitney Occidental Life General Agent in Lincoln

Occidental Life of California has named George R. Whitney general agent in Lincoln, Neb. Mr. Whitney, who has had all his life insurance experience in



GEORGE R. WHITNEY

the Charles E. Cleeton agency, Los Angeles, is a native of Nebraska and took his college work at the University of Nebraska. His father was a prominent life insurance salesman and at one time president of a company in the midwest.

After more than five years of merchandising work on the coast he entered life insurance business with the Cleeton agency in 1939. He is a C.L.U.

### Lewis Pacific Mutual's Newark General Agent

Arthur Lewis has been appointed general agent of Pacific Mutual Life at Newark, succeeding Thomas C. Sherman, who will remain as associate general agent. Mr. Lewis has been with the company for nearly three years as an agent and as a supervisor at the home office. Before that he had about 10 years life insurance experience as an agent.

### McLaughlin Is Travelers Manager at Bridgeport

Maj. Ray C. McLaughlin, formerly with the Flying Tigers in the China-Burma theater, has been made manager

of the life and accident department of Travelers at Bridgeport, Conn.

Major McLaughlin spent 18 months in the Far East, serving as an air-ground liaison officer and spending much of his time with Chinese armies. He served in the China-Burma campaign and covered much of China. He returned to the United States in January, 1945.

Prior to his entering military service, he was assistant manager of the life and accident department of Travelers at Cleveland. He joined the company in 1926 and has been on leave of absence for military service since 1942.

### Provident Mutual Agency Changes in Pa. and Md.

Provident Mutual Life has appointed John C. Vance, Sharon, Pa., co-general agent in northwest Pennsylvania. Mr. Vance will be associated with Howard Johnson, New Castle, Pa., who has been general agent for the company in that section 20 years.

Lt. J. Henry Hooper, U.S.N.R., general agent in Baltimore for Provident Mutual has appointed Benjamin O. Tayloe assistant supervisor. Mr. Tayloe was a life agent in Baltimore before entering service, from which he was honorably discharged in 1943. At that time he joined Provident as an agent. He will assist Supervisor George Helfrich in managing the agency for the duration.

### Lent Assistant Manager

Appointment of Elbert W. Lent as assistant manager of the Stuyvesant ordinary agency of the Prudential in the Chrysler building, New York, is announced.

Mr. Lent started with Prudential in 1928, and became associated with the field audits department in 1933. For six of the 11 years in this latter work he was assigned to metropolitan area. He became interested in agency work and decided to make it his career.

Another assistant manager also has been named in Prudential's ordinary agency field. He is J. C. Knupp, who has been a special agent at Sikeston, Mo., representing the St. Louis agency. He will remain at Sikeston, where a detached office is being established.

### Detroit Service Man Returns

Lt.-Com. Staff Hudson, having been placed on the inactive duty list by the navy, has returned to Detroit as city manager of Northwestern National Life. Before going with E. P. Balkema, Northwestern National manager, in 1941 he was associate general agent of Aetna.

### Great Northwest in Oregon

Great Northwest Life of Spokane has entered Oregon and has appointed H. F. Kennard as general agent. For the first two months of this year the business of Great Northwest was more than double what it was for the same period in 1944.

### Thompson to Security L & A.

Ted R. Thompson, who has been one of the leading personal producers of Great National Life in Austin, Tex., has been appointed general agent there by Security Life & Accident.

Alton C. Derrick has resumed his duties as district manager for the John W. Yates agency of Massachusetts Mutual in Santa Barbara, Cal., following two years of service with the Red Cross.

### Mail Order Not "Doing Business"

Attorney General Jenkins of Ohio has advised Superintendent Dressel that writing mail order insurance does not constitute doing business in the state. A company had asked to be licensed in Ohio and the question was raised as to whether or not the state could collect a tax on premiums previously collected from residents of Ohio.

### Equitable, Ia., Installs Hardin at Roanoke

In honor of J. C. Hardin, recently appointed general agent at Roanoke, Va., Equitable Life of Iowa tendered a reception and dinner to selected members of the life underwriters association and citizens of Roanoke.

Mr. Hardin has had extensive life insurance experience as general agent for Kansas City Life and later as supervisor for Shenandoah Life.

The Roanoke agency of the Equitable includes 44 counties in Virginia, two in West Virginia, and six in eastern Tennessee. The agency has had a flourishing growth since its start in 1923.

E. E. Smith, assistant agency vice-president, represented the company and presided at the dinner program.



J. C. Hardin

## CHICAGO

### C.L.U. TO HEAR BEROLZHEIMER

Howard Berolzheimer, Northwestern University professor of insurance and finance, will talk on "Inflation and Life Insurance" at the Chicago C.L.U. chapter luncheon March 16.

### WAR VETERAN SPEAKS

Lt. (j.g.) Neil Robertson, Winchester, Ill., Pacific, Atlantic and Mediterranean veteran, spoke to the Chicago Life Supervisors Club.

## Build

### YOUR OWN AGENCY, OR BOOST YOUR INCOME . . .

### Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and seizable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

For contract and territory in Wisconsin, Illinois, Minnesota, Michigan or Indiana, address Agency Manager.

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• HEALTH •

**WISCONSIN NATIONAL**  
**LIFE INSURANCE COMPANY**  
**OSHKOSH, WISCONSIN**

March 9, 1945

## NEWS OF LIFE ASSOCIATIONS

### Stimulating Ideas Presented at Sales Parley in Cleveland

CLEVELAND—To sell successfully an agent must have self control, time control, a prospect file, a record book and ambition to work, Fred G. Holderman, Jr., Peoria, Ill., manager Equitable Society, declared at the sales congress of the Cleveland Life Underwriters Association.

"We must keep track of our efforts and know where we are going. We should know what our interviews are worth and what our calls are worth. Too many fail to keep track of where they are going and what they are doing."

Irvin Bendiner, New York Life, Philadelphia, in viewing today's life insurance market, suggested many ideas. There are not many agents selling annuities today. "Why not? The public today has money. Has any of it been set aside for middle age, old age, etc? Why not set up thrift programs?"

#### Business Cover for Foremen

Business insurance should be suggested not only for the upper executives who are normally considered key men, but also for foremen and others who are considered key men today, Mr. Bendiner pointed out.

Ray Turk, war correspondent "Cleveland News," just returned from the Pacific, spoke at the luncheon.

James E. Rutherford, N.A.L.U. executive vice-president, painted an enthusiastic picture for the salesman of ability in the postwar period. "In fact, that era may well be labelled the era of salesmanship all over the world," he declared.

"We are going to have money, the need, and an industry capable of fulfilling the needs. Yet one with the needs doesn't voluntarily go to the supplier to fill it; it is the salesman who brings the two together. The salesman of the future will not only transfer goods, but he will be an adviser, arranger, and evaluator. He will help determine where the prospect's money can best be spent."

"We had eight million salesmen before the war, and we have three million now. After the war we are going to need 10 million. These salesmen are going to create an easier, speedier, more economic way of doing things."

#### Nothing Can Replace Insurance

"We in the life insurance business have an obligation which is greater than ever before, for we have the only product of its kind. Nothing can take the place of life insurance. That sentence should be borne in mind constantly, and it might well be posted over every desk."

"We are heading into days of greater competition and there is a need for individual planning for reconversion. Let's not leave this job to others. We must do something about it ourselves."

"If we sell on the basis of needs, we will eliminate competition. For life insurance offers about the only opportunity for most people to save or secure themselves. Many will say they can't buy life insurance because they have got to buy an automobile, some furniture, or a refrigerator. Your answer should be that they can't buy them without insurance. The automobile or refrigerator is not going to take the place of food and clothes for the youngsters in event anything happens to the meal ticket of the family, so they need more protection when available funds are spent for such items. You can sell insurance to take the place of the money spent," Mr. Rutherford declared.

#### Miss Rudgers Cleveland Secretary

Miss Thelma Louise Rudgers has been named executive secretary of the Cleve-

land Life Underwriters Association, succeeding Sally Campbell, who resigned to join the E. Clare Weber agency of Fidelity Mutual Life.

Miss Rudgers has had both secretarial and trade association experience for her new job. She was formerly with D. S. Hunter & Associates, Cleveland, in trade association work and before that was secretary to the district manager of the F. W. Woolworth Co. Earlier she held other secretarial positions and was also engaged in sales and promotion work for a newspaper syndicate. She attended Miami University at Oxford.

#### Andrews, Schriver Ala. Speakers

Life insurance is an economic "must" for the average person, W. H. Andrews, Jr., N.A.I.U. president, told the sales congress of the Alabama Association of Life Underwriters in Birmingham.

Lester O. Schriver, Aetna Life, Peoria, Ill., past president of the National association, also was a speaker.

J. deW. Willcox, Mutual Life, Birmingham, president of the Alabama association, presided.

**Indianapolis**—Mrs. Grace M. Jones, Connecticut General Life, spoke on "Federal Estate Taxes and Transfer Costs" to the women's division.

**Kansas City**—At a meeting of the women's division, constructive sales procedure was discussed by Mrs. Curtis Fray, and Miss Berenice M. Eichenbaum spoke on the technique of opening and closing a case.

**Springfield, Mass.**—D. P. Cavanaugh, associate counsel of Aetna Life, Hartford, discussed "Meeting Business Needs Through Key Man Insurance" at the March luncheon meeting.

**Scottsbluff, Neb.**—Western Nebraska educators and Nebraska Panhandle association met to discuss proper presentation of life insurance information to high school students. Speakers were Ben R. Gadd, Guarantee Mutual, president Nebraska state association; Vern Bottom, Farmers & Bankers, chairman state educational committee for underwriters; Ralph R. Kiplinger, agency director of Guarantee Mutual, and Len Davis, superintendent of agents of Security Mutual of Lincoln.

The meeting was presided over by Ellsworth C. Hunter, president of the local association.

**Minneapolis**—Hugh S. Bell, Equitable Life of Iowa, Seattle, N. A. L. U. trustee, will speak March 13. He will also confer with officers of the Minneapolis and state associations.

**Central Iowa**—The association will hold its meetings alternately between Ames and Boone. Rev. Thomas O. Parish, who recently returned after serving as chaplain in the Pacific and Alaskan areas, spoke at the first meeting at Boone.

**Northern New Jersey**—William H. Andrews, Jr., president National association, will speak at a luncheon in Newark, March 15.

**Columbia, S. C.**—Governor Ransom J. Williams, who in private life was general agent Jefferson Standard Life at Florence, said that the contrast between life insurance now and at the time he entered it is like the difference between day and night. To be a success in insurance, he declared, a man must be an outstanding figure in his community and must have a deep sense of duty to his fellow man. Governor Williams was presented with an honorary membership card as was Insurance Commissioner D. D. Murphy. Davant Bostick, Jefferson Standard, introduced Governor Williams and A. M. Orgain, Life of Virginia, the president, was in the chair.

**Cleveland**—Edward L. Reiley, general agent of Penn Mutual, will speak March 15 on "Overcoming Buying Resistance."

**Phoenix, Ariz.**—Harold J. Cummings, executive vice-president of Minnesota Mutual Life, told members of the Arizona association at a meeting here that this is the most favorable selling time in the history of the insurance industry. An almost unlimited confidence of the public in life insurance, more money in the American pocket and little competition from other commodities—all combine to make this the brightest picture the insurance salesman ever has seen. Sta-

## KENTUCKY HOME MUTUAL LIFE INSURANCE COMPANY

### LOUISVILLE

### Statement

### KENTUCKY

As of December 31, 1944

#### ASSETS

Cash in Banks and Home and Branch Offices.	\$ 236,787.87
Bonds and Stocks:	

United States Government

Bonds .....	\$ 2,071,279.73
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Municipal, Industrial and

Railroad Bonds .....	116,627.78
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Guaranteed Building and

Loan Stocks .....	40,000.00
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Other Stocks .....	444,150.00
--------------------	------------

Due and Accrued Interest .....	9,223.23
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	2,681,280.74
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Real Estate Mortgage Loans:

Real Estate First Mortgage

Loans .....	\$ 1,171,310.00
-------------	-----------------

Due and Accrued Interest	
--------------------------	--

on First Mortgages .....	4,229.46
--------------------------	----------

	1,175,539.46
--	--------------

Loans to Policyholders including

Accrued Interest .....	867,142.96
------------------------	------------

Policy Liens and Interest .....	2,621,036.35
---------------------------------	--------------

Real Estate sold under Contracts

of Sale with Accrued Interest .....	64,073.85
-------------------------------------	-----------

Real Estate with Accrued Interest .....	3,065,624.30
---	--------------

Collateral Loans .....	7,717.48
------------------------	----------

Premiums (secured by legal reserve) .....	158,659.15
---	------------

Other Unclassified Assets .....	13,455.33
---------------------------------	-----------

GROSS ASSETS .....	\$ 10,891,317.49
--------------------	------------------

Less non-admitted Assets (Bills receivable and agents' balances) .....	11,183.72
--	-----------

TOTAL ADMITTED ASSETS .....	\$ 10,880,133.77
-----------------------------	------------------

All furniture, fixtures, and equipment charged off.	
---	--

#### LIABILITIES

Reserves for Policyholders .....	\$ 9,848,823.49
----------------------------------	-----------------

Reserves for Claims Payable in Installments and Amounts Held Under Supplementary Contracts .....	97,595.93
--	-----------

Reserves for Claims Unreported and Proofs Not Completed .....	100,408.56
---	------------

Reserves for Dividends to Policyholders .....	7,199.74
---	----------

Reserves for Premiums and Interest Paid in Advance .....	35,604.45
--	-----------

Reserves for Taxes Payable in 1944 .....	45,863.44
--	-----------

Reserves for all other liabilities .....	36,043.07
--	-----------

	\$ 10,171,538.68
--	------------------

Surplus for Contingencies .....	373,595.09
---------------------------------	------------

Surplus Unallocated .....	335,000.00
---------------------------	------------

TOTAL LIABILITIES .....	\$ 10,880,133.77
-------------------------	------------------

INSURANCE IN FORCE .....	\$ 42,596,273.00
--------------------------	------------------

ELLSWORTH REGENSTEIN, President

tistics show the average American has \$5 today for every \$1 he had in 1926.

Program chairman was Herschel M. Alton, general agent of Kansas City Life.

Mr. Cummings, who is making a five week tour of the southwest, was the guest in Phoenix of Frihoff Allen, general agent of Minnesota Mutual in Arizona.

## RECORDS

**National Life, Vt.**—Sales of new business showed a gain of 10.6% in January compared with January, 1944. Sales totaled \$5,217,359, insurance in force increased \$3,597,507 in the month.

**Franklin Life**—January business showed an 83% increase over the same period last year. First year premium income increased 45%. January volume was dedicated to Vice-president W. L. Dugger.

**United States Life**—New paid-for business in January showed an increase of over 70% as compared to the same month of 1944.

**Ohio State Life**—Written business in February was 24% greater than in February, 1944.

**Home Life, N. Y.**—February paid business was the greatest for that month in company history, 19% more than the mark established in February, 1928. No new pension trust business was included and the increases were from all parts of the country. The A. R. Klein agency in

Chicago led all Home Life agencies in February, and Kenneth E. Lake of Salt Lake City was the leading agent.

**Equitable Life of Iowa**—Paid for production in February was \$4,485,000, a gain of 9.6%. For the first two months the record was \$9,298,000 or a gain of 22.1%.

This gain is noteworthy inasmuch as Equitable established a new ruling Jan. 1, under which no production volume credit is allowed for any single or annual premium annuities.

**Union Mutual Life**—Paid business for the first two months showed an increase of 62.7% over that of the corresponding period a year ago. Paid business for February showed a gain of 87.8% over that of February, 1944.

**Minnesota Mutual Life**—During February new examined business totaled \$5,082,550, a gain of 33.5% over 1944. Paid business was \$2,536,928, an increase of 23.7%. For the first two months examined business is 27.8% and paid business 15.1% greater than in 1944.

### Broaden Tenn. Investment Law

**NASHVILLE**—In addition to a measure providing for the regulation of industrial insurance and another amending the code relative to the valuation of life company assets, a law permitting domestic life companies to make investments in states other than Tennessee was enacted by the Tennessee legislature before it adjourned.

## Home Life, N. Y., Executives Confer with Illinois Men

W. P. Worthington, vice-president and superintendent of agencies of Home Life of New York, and John F. Walsh, assistant superintendent, held a conference in Chicago Monday with a number of that company's Illinois field men. The group was well within the 50 maximum prescribed under the convention ban.

Attending were Ray Martin, general agent at Champaign, who is rounding out 30 years with Home Life; George Dreisbach, general agent at Rockford; A. R. Klein, general agent, and Dave Dawson, manager, both of Chicago, and some of their agents. Mr. Klein was chairman of arrangements for the meeting and Mr. Dawson and Mr. Dreisbach assisted him.

Plans were made for a meeting of the same group at the Rockford Country Club in July.

Miss Zaide Morse, agency cashier in charge of the separate collection office maintained in Chicago, was honored by the group with a birthday cake and congratulated on her 15th year with Home and her birthday.

### Transmit Bids for ATC Cover to Army

H. E. Hilton, U. S. Chamber of Commerce, received and transmitted to the War Department Wednesday bids for insuring army transport command plane passengers, received from Parker & Co., for Continental Casualty; Marine Office of America; Marsh & McLennan, for Ins. Co. of North America; Associated Aviation Underwriters; U. S. Aviation Underwriters, Aero Underwriters; also a suggestion from Chase Smith, Lumbermen's Mutual Casualty, that the successful bidder should be required to admit to participation any carrier meeting satisfactory financial standards.

### Occidental's Leading Agencies

The first 10 agencies of Occidental Life of California in new paid life volume for 1944 were H. M. Leisure, Los Angeles; Security Insurance Agency, Hawaii; Harry Wraith, Oakland; San Francisco branch; Martin Arnovitz, Montreal; C. C. Wing, San Francisco; A. F. Goyette, Pittsburgh; C. E. Cleeton, Los Angeles, and San Diego.

## NEW YORK

### SALES \$73 MILLION

According to the Life Underwriters' Association of the City of New York, the estimate of total sales of ordinary life insurance in New York City for January, 1945 is \$73,808,000, compared with \$60,697,000 in January, 1944.

### ANOTHER COMMISSION CASE

Another case is being litigated in New York involving the claim of a life insurance representative to commissions on a policy for which he got an order but which the prospect later refused to accept. The higher court in New York recently held against the insurance man who was an agent of Security Mutual Life of Binghamton. The lower court had given a judgment for the agent.

The new case is Friedman vs. National Bulk Carriers, Inc. In this case Friedman was acting in the capacity of a broker. The federal court for the southern district of New York has denied the motion of National Bulk Carriers for summary judgment.

Friedman alleged that he was employed by National Bulk Carriers to obtain insurance on the life of its president, and that there was an agreement by National Bulk that it would accept such insurance if and when obtained. Friedman alleges that the policies were obtained and National Bulk refused to accept them.

In denying the motion for summary judgment the court stated that although there may not have been any contract to pay Friedman for his services for procuring the insurance there may have been an agreement to accept the insurance when it was secured. It may be, the court stated, that the exact theory on which Friedman may recover is indefinite but the complaint does state facts which, if proved, will entitle him to a recovery.

## ACCIDENT

### Urge Blue Cross Law Uniformity

Insurance Director Fraizer of Nebraska, as chairman of the laws and legislation committee of the National Association of Insurance Commissioners, has transmitted to the insurance departments material concerning uniform legislation relative to non-profit hospital service plans. He states that he did so at the instance of Albert Burger, chief examiner of the Minnesota department and he encloses a letter from Mr. Burger.

In 1941 the model bill that was suggested by the Hospital Service Plan Commission was enacted in Nebraska and it is the Nebraska law plus some additions suggested by Mr. Burger that was sent to the insurance departments at this time.

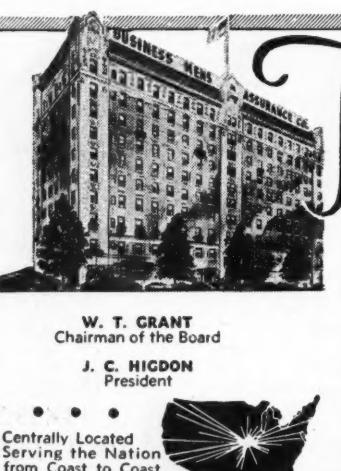
Mr. Burger states that the bill that was fostered by the hospital service associations in Minnesota "is not at all conducive to good state regulation but constitutes merely an enabling act and more or less of a blank check to the organization." He stated that several legislatures today are being asked to pass enabling acts and he charges that at some points the hospitals are attempting to put through "the same unsatisfactory statute as was passed in our state."

Mr. Burger recommends that the laws and legislation committee adopt the model bill as a recognized uniform piece of legislation.

One of the additions proposed by Mr. Burger is that the insurance commissioner be required to approve all contracts proposed to be issued to subscribers as to terms, form, rates and benefits and also that the commissioner shall approve all contracts or amendments between hospitals and service organizations. The commissioner would be given the right to require cost reports and other information from hospitals and given power to verify the reports of other information through examination of hospital records and hospital officials.

Also there is a provision that the commissioner shall fix a maximum number of subscribers for each plan, based upon the facilities available and the utilization experience.

This latter provision, it is expected, will be resisted strenuously by the Blue Cross people. Apparently Mr. Burger is impressed with the problem of overcrowding of hospitals and wants to be sure that when a policyholder requires hospitalization he can get it. The Blue Cross people are likely to propose as an alternative to such a provision that the contract pay cash indemnity if the policyholder can't get into a hospital, but this will cause a collision with the commercial accident and health companies which take the position that the Blue Cross plans are getting beyond their proper sphere when they undertake to provide cash indemnities in any degree. The belief is rather general that the present overcrowding of hospitals is due to the extensive participation of the public in Blue Cross plans. That belief is shared by a good many hospital people themselves. However, the Blue Cross people say that the overcrowding is mainly due to the prosperity of the day and to certain other factors such as the free hospitalization of service men's wives. They cite overcrowding of hos-



## BUSINESS MEN'S ASSURANCE COMPANY

KANSAS CITY 10, MISSOURI

## HEADLINES OF PROGRESS

Atlantic's new business in 1944 showed an increase of 12% over the previous year, and was greater than any other year since 1931.

Insurance in force increased by more than eight and one-half million dollars, and now totals \$152,357,130.

Assets increased \$2,821,535.63 for the year, and now total \$41,543,474.84.

Additions of \$301,724.00 to surplus and voluntary reserves increased these and capital funds for the additional protection of policyholders to \$2,002,757.73.

Payments to policyholders and beneficiaries now exceed \$66,000,000.

## ATLANTIC LIFE INSURANCE COMPANY

Organized 1899

Richmond, Virginia

DIRECTING THE WAY TOWARD FINANCIAL SECURITY SINCE THE TURN OF THE CENTURY.

XUM

March 9, 1945

pitals in areas where there are no Blue Cross plans in operation.

Mr. Burger also adds certain provisions relative to examination of Blue Cross plans, the holding of hearings, application for injunction specifying court procedure and provisions as to liquidation, etc.

Mr. Fraizer states that he is transmitting the materials "on the theory that there may be some states which will find the enclosures to be helpful."

#### Detroit City A. & H. Plan Held Up

**DETROIT**—The city council has deferred action on Mayor Jeffries' proposal to extend hospitalization, accident and health insurance on a self-insurer basis to 34,000 city employees at an annual cost of \$940,000 to the city. Employees asked the deferral so they could consult with A. G. Gabriel, city actuary and general agent of Midland Mutual Life.

Chief objections to the plan offered by city employees were lack of surgical and maternity benefits, that it is compulsory and there is no provision for employee representation on the board that would administer it. The plan includes \$2,000 death benefit for working employees, \$1,000 for retired ones; \$6 per day hospital benefit for 31 days and \$15 per week disability.

#### Triple Benefits Denied

An accident occurring in a cul de sac alleyway is not an accident "while walking upon a public street," the federal court for the northern district of California held in giving judgment for the insurer in Dowe vs. Connecticut General Life. The accident policy in question provided triple disability indemnity for disability caused by an injury sustained while walking upon a public street. The assured was injured when he was run down by his own car in the alley, which had started to move, when he got out to open his garage door. He had received \$4,881 as single disability indemnity.

The court found that the alleyway was expressly dedicated and for more than 19 years has been actually used as ingress and egress only by abutting lot owners and others such as tradesmen with infrequent night parking of cars by strangers.

#### C. H. Davis Peoria Speaker

"Accident insurance is classed as primary insurance," Charles H. Davis, manager eastern railroad department of Pacific Mutual Life, told members of the Peoria Accident & Health Club, "but in my estimation, it should be classed as priority insurance with a triple A rating."

Mr. Davis addressed a noon meeting, augmenting his topic, "Selling in '45," he brought out that the greatest fear the average person has is loss of income. "People want security and a secured mind is a peaceful mind. We are always faced with the necessity for dollars to pay for the right to live."

#### Discuss Corporation Needs

Carl McCann, Northwestern Mutual, past president, led a discussion before the Indianapolis C. L. U. chapter on "The Wartime Need for Corporation Life Insurance."

#### SUPERVISOR WANTED

**LARGE NEW YORK CITY AGENCY OF LEADING EASTERN COMPANY DESIRES EXPERIENCED SUPERVISOR OR PERSONAL PRODUCER SEEKING ADVANCEMENT.** Salary and overwriting commissions. Address Box B-21, National Underwriter, 99 John St., New York 7, N. Y.

## Five File Suits in Ohio Tax Protests

(CONTINUED FROM PAGE 1)

mum for all lines with the exception of compensation on which the present 4% tax would be maintained. Present taxes except compensation are 2.5% for companies not having as much as 15% of their total assets invested in North Carolina and .75% for others.

The proposed tax bill would eliminate the income tax now collected from domestic stock companies. It is estimated that outside companies, now paying the 2.5% rate, would pay \$356,000 less annually while domestic companies, being exempted from income taxes amounting to \$237,000 would pay \$297,000 more in premium taxes. Figures are based on 1943 premiums.

In making its recommendations, the subcommittee also eliminated an effort to tax "miscellaneous" premiums and a proposal to impose a surtax if present taxes should be declared unconstitutional. Company representatives had proposed premium taxes ranging from 1.25% to 2.5%.

#### 10 Revision Bills Passed

The North Carolina house has passed 10 of 11 senate bills revising the insurance laws as recommended by the special commission. The only bill which has not yet been passed by the house relates to the regulation of agents.

Another bill providing for an additional \$64,000 appropriation for the insurance department in expanding to enforce the new laws was given a favorable report by the joint finance committee.

#### WASHINGTON 2% BILL SIGNED

**SEATTLE**—Governor Wallgren has signed the 2% uniform premium tax bill. Heretofore Washington companies have paid 1% while foreign carriers paid 2 1/4%.

#### MICH. GOVERNOR BACKS BILL

**LANSING, MICH.**—A 2% premium tax equalization measure and a bill repealing all retaliatory provisions in the insurance code have been introduced in the Michigan legislature.

Governor Kelly has not only endorsed the measures but it is reported they were drafted in the executive office and turned over to Senator Milliken for introduction. They have been referred to the senate taxation committee, rather than the insurance committee.

At present Michigan collects a 3% premium tax from fire carriers and 2% on life and casualty premiums while the retaliatory provisions in the law operate to vary rates upward for carriers domiciled in states where levies are higher.

Several large companies domiciled outside the state and writing a large volume of business in Michigan already have filed notice with the insurance department that they would make this year's premium tax payments under protest in the light of the supreme court's ruling. Thus it appears that the Milliken bills must be passed at this session if continuance of insurance tax income is not to be jeopardized.

#### HEARING ON IOWA BILL

**DES MOINES**—The Iowa house and senate ways and means committees have scheduled a joint public hearing for next Tuesday afternoon on the bill to fix a flat 2% tax on all premiums. It is reported that some of the county mutual fire insurance companies are strongly opposed to the measure.

#### PROTEST IN OKLAHOMA

**OKLAHOMA CITY**—Although the 4% premium tax law that became effective in Oklahoma Feb. 28 carries a clause providing that if the tax reduction allowance for investments in Oklahoma securities should be adjudged invalid for any reason by any court, the 4% levy shall apply to all alike, some companies

are paying their taxes under protest. The insurance department estimates that of the \$2,300,000 due about \$650,000 has been paid under protest.

The new law extends the levy to include domestic companies but provides a sliding scale of exemptions based on the amount of assets a company has invested in Oklahoma securities. With 30% invested in Oklahoma, there is no tax.

The company license fee shall be \$100 with a \$2 fee for each agent, to apply alike to foreign and domestic companies.

The protesting companies contend that the new law and the old violate the equal protection clause of the federal constitution and also the commerce clause, according to V. P. Crowe, attorney for 16 life insurance companies that

account for \$437,826 of the protested tax.

The protests were filed under the new law that became effective Feb. 27, giving the right to protest special taxes. The funds thus accumulated shall be impounded for 60 days to determine whether a suit is brought by the claimants. If such action is taken, the fund shall be held until constitutionality of the law is determined. This law was passed to prevent suits to enjoin collection of the tax.

#### Future Course Undecided

Whether companies he represents will resort to legal action is still undecided, Mr. Crowe said.

Although some of the Oklahoma companies have 30% of assets invested in Oklahoma securities, others will not escape tax and one official stated: "We are having so darned much trouble with our premium tax in the legislature that

## Annual Statement

DECEMBER 31, 1944

**\$77,244,985.98 Paid Policyholders and Beneficiaries Since 1887**

#### ASSETS

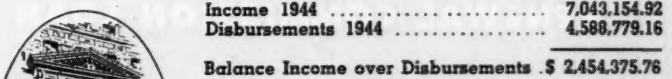
Bonds (Amortized value) .....	\$28,876,797.06
U. S. Govt. and Govt. Guaranteed .....	11,960,800.00
State and Municipal .....	602,217.40
Railroad .....	4,801,026.15
Public Utilities .....	9,203,961.50
Canadian .....	1,873,997.01
Industrial .....	434,795.00
Loans on Policies .....	3,948,171.73
First Mortgages .....	6,864,743.55
Farm .....	3,293,855.08
City .....	212,236.85
F.H.A. .....	3,358,656.62
Real Estate .....	3,410,986.99
Farms .....	2,633,602.26
Contracts of Sale .....	743,115.90
Home Office .....	34,268.83
Cash in Office and Banks .....	884,468.16
Accrued Interest and Rents (less Non-Admitted items) .....	483,634.62
Deferred and Unreported Premiums .....	445,368.64
Due from Reinsurance Companies .....	861.55
	\$44,915,032.30

#### LIABILITIES

Policyholders Reserves .....	\$36,390,540.04
Reserve for Dividends left at Interest .....	651,387.83
Reserve for Premiums in Advance and Accounts Accrued .....	72,339.56
Reserve for Dividends payable 1945 and Deferred Div. Reserve .....	1,707,715.53
Reserve for Taxes payable 1945 .....	200,000.00
Death Claims Reported, No Proof Received (including Reserve of \$50,000 for claims not reported) .....	121,135.69
Reserve for Agents Retirement Fund .....	89,971.41
Reserve for Misc. small Accounts .....	70,779.22
Capital Stock .....	500,000.00
Surplus from Trustees .....	29,425.19
Contingency Reserve for Participating Business Written Since January 1, 1915 .....	1,829,368.30
Unassigned Surplus .....	3,252,369.53
	\$44,915,032.30

Paid Policyholders and Beneficiaries in 1944 .....	\$ 2,461,555.75
Issued and Revived in 1944 .....	19,408,131.35
Insurance in Force December 31, 1944 (Paid for Basis) .....	155,245,599.30

Income 1944 .....	7,043,154.92
Disbursements 1944 .....	4,588,779.16
Balance Income over Disbursements .....	\$ 2,454,375.76



**Bankers Life**  
INSURANCE COMPANY  
OF NEBRASKA

we may not have enough to move out of the state on if they keep up their present indications."

Companies protesting the tax in Oklahoma are: Aetna Life, Alliance Life, American Mutual Life, American United Life, Indianapolis Life, Bankers Life of Des Moines, Bankers Life of Nebraska, Business Men's Assurance, Central Life of Des Moines, Connecticut General, Connecticut Mutual, Equitable Life, Des Moines, Farmers & Bankers Life, Federal Life, Fidelity Mutual, General American Life, Great Northern, Great Southern, Guarantee Mutual, Guardian Life, Illinois Bankers Life, Jefferson Standard, John Hancock Mutual, Kansas City Life, Life of Virginia, Lincoln National, Massachusetts Mutual, Massachusetts Protective, Metropolitan Life, Minnesota Mutual, Mutual Life, National Life of Vermont, National Life & Accident, Northwestern Mutual, Northwestern National, Occidental Life, Pacific Mutual, Paul Revere Life, Penn Mutual; Phoenix Mutual, Prudential, Pyramid Life, Little Rock; State Farm Life; Texas Prudential; Travelers, Union Central Life, United Benefit Life, Washington National, Aetna Casualty, American Motorists, Bituminous Casualty, Employers Casualty, Employers Reinsurance, Excess, Fidelity & Deposit, Fireman's Fund Indemnity, Hartford Accident, Hartford Steam Boiler, U. S. F. & G.

#### NO CHANGE IN INDIANA

INDIANAPOLIS—The attempt to revise the present Indiana premium tax law failed of passage and it was decided to stand on the present governing statute rather than attempt legislation that lacked sufficient consideration.

#### ASK HELP FOR CONN. COMPANIES

HARTFORD—Commissioner W. E. Allyn announced that bills have been introduced in the legislature here to freeze the tax on the income of Connecticut companies on dividends and in-

terest at approximately the present level. This produces about \$2½ million annually.

In a statement published in the Hartford "Courant," Commissioner Allyn said that the present tax increases as the business of Connecticut companies goes up and thus places Connecticut companies at a competitive disadvantage. Out of state companies do not have to pay this tax. He referred specifically to Massachusetts and New York and said that lower taxes on domestic companies had enabled these states to outrank Connecticut in insurance importance.

#### SITUATION IN TEXAS

According to Commissioner Butler of Texas, more than \$600,000 premium taxes have been paid under protest. He expresses the belief that the tax equalization bills that have passed the house will protect the state tax structure. One of the bills protects companies from suits by stockholders in the event the law is ruled unconstitutional. There would be a uniform graduated tax rate with a minimum of .9% up to a maximum of 3.2% depending upon the percentage of investments in Texas securities. First year premiums of new companies during their first year of business in Texas would be exempt from taxation.

Under the original bills the range of tax was from .75% to 3% but the rate was increased by amendment.

#### Final Senate Debate Clarifies Intent of Bill

(CONTINUED FROM PAGE 1)

Confronted with the fact that we had to take either the bill which was passed by the House at the last session or something else," Murdock continued, "I finally consented to support the conference report, which, in my opinion, not only grants a moratorium but allows the state to come affirmatively into the

picture. If they do something objectionable, something we do not want done, then the Congress reserves the right to strike it down" and the anti-trust acts could be made "applicable in their full vigor against anything the states might do."

#### Decided Improvement

Judiciary Committee McCarran said the Senate bill "was a decided improvement on that policy-making piece of legislation," the Bailey-Walter bill. In passing its own bill, he added, "the Senate had gained its point." The conference report was "an improved bill. On each occasion the Senate has won its point, right straight along," McCarran added.

The intent, not of Senators, but of proponents of the legislation, Pepper argued, "is that the states shall have authority to repeal, pro tanto, the applicability of the Sherman and Clayton acts to insurance within their borders. To accept that view without protest, but giving countenance and acquiescence to that policy, seems to me to impugn the integrity of the Supreme Court decision..."

"If it is the opinion and the pleasure of Senators that they prefer that the states have that authority, if they believe in rate fixing, if they believe that it is a good thing to let practices persist through which innumerable insurance companies in my state in 10 years collected three times as much in premiums as they paid out in losses, they have a right to take that position."

O'Mahoney said that as a result of the congressional debate "there has already been a substantial reduction of insurance rates" by the authority of several states, including New York.

"The vice in the insurance industry was not that there were rating bureaus, but that there was in the industry a system of private government which had been built up by a small group of insurance companies, which companies undertook by their agreements and understandings to invade the field of Congress to regulate commerce. These private groups sought, by the imposition of penalties, by writing rules and regulations, and by holding secret trials, or at least claiming the right to do so, to enforce not public regulations written by public authority, but regulations for the insurance business which they wrote themselves in their wholly private and exclusive associations."

#### Sets Up Little NRA

The regulations of the Insurance Executives Association, O'Mahoney said, "set up its own little NRA to regiment the insurance business." The I.E.A. "undertook by regulation to coerce, intimidate, and boycott its own members and compel them to obey the rules and regulations the association itself prescribed."

Quoting section 3(b) against boycott, etc., Majority Floor Leader Barkley, Kentucky, wanted to know whether combinations violative of the anti-trust laws, if authorized by states, are "so sanctioned by the laws of the states to be allowed, even if Congress itself should decide to exercise jurisdiction."

"No," O'Mahoney said, it was his judgment that "every effective combination or agreement to carry out a program against the public interest of which I have had any knowledge . . . would be prohibited . . ."

The I.E.A. agreements, O'Mahoney said, "would be completely outlawed."

Barkley brought out in his colloquy with O'Mahoney that Congress would not be estopped from dealing with combinations and agreements authorized by state law, but which Congress might decide to be against public interest; "the right of Congress to legislate in the field of insurance is explicitly recognized in this report;" that the proposed federal law "could be repealed by the next Congress if it should see fit to do so." As one of the House conferees expressed it aptly: "This is a bill to authorize the states to regulate the insurance business;

and if the states do not regulate it, the federal government can."

O'Mahoney said his interpretation is that the language "would permit the federal government to continue to indict and prosecute any person or any group for any agreement or act of boycott, intimidation, or coercion, in the past or in the future."

Ferguson said "there is no attempt here to have Congress throttled in the future in acting upon insurance legislation." Section 2(b) "provides that if Congress does act, the act shall specifically relate to the business of insurance. What we have in mind is that the insurance business, being interstate commerce, if we merely enact a law relating to interstate commerce, or if there is a law now on the books relating in some way to interstate commerce, it would not apply to insurance. We wanted to be sure that the Congress would act specifically with reference to insurance in enacting the law."

"In other words, no existing law and no future law should, by mere implication, be applied to the business of insurance," said O'Mahoney.

Barkley declared the object of the original 1943 insurance bill he "presumed" was to "anticipate" the Supreme Court decision and have Congress in the position of having declared insurance not interstate commerce. He paid tribute to O'Mahoney, Hatch, Murdock and other senators "for the fight they made to prevent the enactment, in advance of a decision of legislation, which would have made the decision of the Supreme Court a moot question."

#### Form Is Not Enough

Barkley said "if any state . . . undertakes to go through the form of regulation merely in order to put the insurance companies on an island of safety from congressional regulation, that effort will be futile, and not only can Congress deal with any phase of the insurance business not dealt with by a state legislature, but even in a case in which a state legislature deals with any phase of it, but does not deal with it adequately in the opinion of Congress, Congress is not in any way barred by the conference report from dealing with that subject and with the phase of it which Congress deems to have been inadequately dealt with by the states."

Pepper contended the principle of Parker vs. Brown would not apply because if a state authorized companies to enter a rating bureau and to do certain things, and if those things were done, then that was action by state authority, —practically state action. If the states preempt the field, then anti-trust acts do not apply; that was the meaning of section 2(b). There would not be anything for the federal government to prosecute, under the circumstances, Pepper declared. The states could emasculate the Supreme Court decision.

Murdock suggested Pepper's position was that the states "could absolutely repeal all insurance laws and still be regulating insurance." This Pepper denied.

In response to Pepper's question, Ferguson said that under the conference report "if a state passes an act regulating insurance or taxing insurance, and that regulation is contrary to the Sherman or the Clayton act, with three exceptions, then the state law would be the law." Those exceptions concern boycott, coercion, intimidation, he added.

Ferguson said the bill would permit rating bureaus. "What we saw as wrong was the fixing of rates without statutory authority in the states," he said, "but we believe that state rights should permit a state to say that it believes in a rating bureau."

"We believe that all the wisdom is not here in Congress," said Ferguson. "We believe that there is some wisdom left in the legislatures of the various states, and that they should exercise their judgment and regulate insurance except in the respects with which we have enumerated."

Declaring he believes in the anti-trust

#### For the "Angels of Mercy"

In March the American Red Cross conducts another annual campaign for funds. This matchless charitable organization supports its missions of mercy entirely by voluntary subscriptions. At this very moment, in some far-flung theatre of war, its ministrations may be rescuing your boy from the clutches of death.

Listen, mister: give all you can to the Red Cross — you could never give too much — and listen to the cheers of the gods.

**LIFE Insurance Company of VIRGINIA**

Home Office  
Richmond



Established  
1871

#### PLAN TODAY for your PRODUCTION and HOME OF TOMORROW with a RENEWAL COMMISSION LOAN



3 to 5 years  
or longer maturities

LIFE UNDERWRITERS CREDIT CORPORATION  
MINNEAPOLIS 2, MINNESOTA

laws, Pepper said he is not "willing to give the states the power pro tanto to repeal or invalidate" them. He did not see "any reason for giving them the authority to do it in the first place and then saying, 'We will take it away from you at some subsequent time.' Why not let the Congress preserve the integrity of the Sherman act and the Clayton act and the monumental decision of the Supreme Court by simply providing, 'We will give you a three year moratorium period, but after that the Clayton and the Sherman acts will go into full force and effect'?"

"Why give them a three-year moratorium at all, then?" asked McCarran. "Why not say there will be no such legislation?"

Pepper replied that it was because some thought the states should have opportunity to adjust their regulation to square with anti-trust laws.

"But if they did, the Sherman and the Clayton acts would not impinge," said McCarran.

## Loomis Chairman; Fraser President

(CONTINUED FROM PAGE 1)

icut Mutual in 1909 as assistant secretary. In 1918, he was elected vice-president; and a few months later, was made a director. Upon the death of Henry S. Robinson in 1926, Mr. Loomis became president.

Mr. Loomis handled the negotiations which resulted in a new home office building at 140 Garden street.

Mr. Loomis in 1930 was chairman at the annual meeting of the Life Presidents Association. He is a member of the Life Insurance Coordinating Committee. He is a director of Phoenix Fire, Hartford County Mutual Fire, First National Bank of Hartford, Hartford "Courant," Colt's Patent Fire Arms Manufacturing Co., Society for Savings, and Simsbury Bank & Trust Co. He is a trustee of the New York, New Haven & Hartford Railroad. He is also vice-president and trustee of the Loomis School for boys.

### Resolution of Esteem

The directors adopted a resolution expressing commendation and esteem for Mr. Loomis' leadership. In the 19 years insurance in force has grown from \$608,770,230 to \$1,295,559,265 and assets from \$131,218,595 to \$542,427,700.

The resolution cites Mr. Loomis' "high principles of justice and truth as well as his complete honesty of purpose for the welfare of all."

Mr. Fraser went with Connecticut Mutual in 1918 after five years' prior experience in agency work with Mutual Life. As general agent of Connecticut Mutual at Brooklyn, his agency showed a 400% increase at the end of the first nine months. The agency soon moved to New York. In ten years, the agency was producing one-fifth of the business written by the entire company.

In 1930, Mr. Fraser was called to the home office as vice-president. A year later, he became a director. Largely under his supervision has been developed the city mortgage loan organization of Connecticut Mutual. At present, city mortgages amount to \$170,856,617 on properties located in 810 communities.

Mr. Fraser is a trustee of the Hartford-Connecticut Trust Co. and Dime Savings Bank; a director of United Aircraft Corp., Phoenix Fire and Connecticut Fire. He is a U. S. trustee for Netherlands Ins. Co. and a trustee of Connecticut Public Expenditure Council. He is president of Newington Home for Crippled Children. He served as chairman of the Hartford Red Cross drive in 1943, and was president of Hartford War Chest in 1944. He has been chairman of the British War Relief for Hartford since 1941.

His brother, John M. Fraser, is Connecticut Mutual general agent at New York.

## N. Y. Agents Group Opposes Raising Savings Bank Limit

(CONTINUED FROM PAGE 3)

requirements for those who contact the public.

The State Life Underwriters Association asked Life Insurance Association of America for its position with respect to these bills and received a reply from B. E. Shepherd, actuary. Mr. Shepherd pointed out that when the savings bank life insurance law was enacted in 1933 the companies' association did not oppose it because except for a small initial subsidy the proposal did not conflict with the resolution adopted in 1931 that the association should thereafter oppose legislation authorizing savings banks to go into the life insurance business wherever a state subsidy was provided and the banks were not to be subjected to the same restrictions and burdens as regular companies.

Mr. Shepherd said, however, that the sale of savings bank life insurance if permitted without limitation as to size of policy, should be subjected to exactly the same financial and regulatory requirements as legal reserve life companies and their agents. While the bills would not eliminate the limitation "they would be a long step in that direction and, therefore, they inevitably raise the question of the extent to which savings bank life insurance should be permitted to deviate, if at all, from the requirements, restrictions, and conditions imposed upon legal reserve life insurance."

Emphasizing the place of the agent not only as a salesman but as a family counselor, Mr. Shepherd said that "his value comes in a large part from those qualities of the neighborliness which develop with far greater facility over the back fence than over the marble counter of an office," and added, "we do not believe that the legislature will overlook these significant facts."

### Anti-Bias Bill Passed in N. Y.

NEW YORK—The Ives-Quinn anti-bias bill prohibiting employers from discriminating in the hiring or promoting of employees on grounds of race, color, creed or national origin has passed both houses of the New York legislature and is scheduled to be signed by Governor Dewey Monday. Many insurance companies, along with most other large employers, fear that enforcement of the law, which goes into effect July 1, and provides severe penalties for violation, will cause widespread resentment among present personnel and make employers vulnerable to harassment and blackmailing.

Similar measures are pending in a number of other legislatures and in Congress. It is believed that there is little chance of a federal law being passed in the face of the determined opposition of the south.

### Payment Made in Ky. Bank Suit

LOUISVILLE—Payment of \$625,703, to be held for General American Life, successor to the old Missouri State Life, was made to the clerk of the federal court by A. M. Anderson, receiver of the defunct National Bank of Kentucky, under a decision of Federal Judge Swinford, ordering a year's interest stricken from dividends allowed on two certificates of deposits of \$250,000 each, held by the Missouri State Life at the time the bank failed in 1930, because of delay in filing briefs and prosecuting the case.

The company will appeal, contending that the delays were unavoidable and that the company is entitled to full interest.

A former John Hancock agent, Corp. Roland Potvin of Fall River, Mass., a member of a U. S. fighter-bomber group of the first TAF, was selected to make the presentation of a 128,000 franc gift to a 17 year old French girl, wounded in Normandy during the July battles. She will use the gift to obtain artificial limbs.



Since 1867

a life insurance company distinguished by  
the character and ability of the men and  
women comprising its field organization...

and by the integrity of its management.

## EQUITABLE LIFE OF IOWA

Founded 1867

HOME OFFICE

DES MOINES, IOWA

### CONDENSED STATEMENT OF THE FIDELITY UNION LIFE INSURANCE COMPANY

DALLAS, TEXAS

December 31, 1944

ASSETS	LIABILITIES
Cash ..... \$ 285,233.97	Reserves ..... \$5,863,545.01
First Mortgage Loans... 2,174,098.37 (City Properties, \$2,000,751; Farm Properties, \$184,347.)	
Bonds ..... 2,267,483.13 (U. S. Govt., \$1,116,396; State, County and Municipal, \$69,889; Railroad, \$183,042; Utilities, \$641,062; Industries and Miscellaneous, \$257,064.)	Dividends to Policyholders Payable During Next Twelve Months ..... 44,344.46 (Amount set aside to provide for dividend payments on participating policies for one full year in advance.)
Stocks ..... 1,011,844.30 (Carefully well-selected highest quality stocks.)	Claims Awaiting Proofs ..... 7,290.00 (Amounts to be paid to beneficiaries when proof papers have been received.)
Real Estate ..... 398,604.45 (Home Office property, \$375,000, yielding an excellent rate of return; other real estate, \$23,604.)	Premiums and Interest Paid in Advance ..... 22,439.33 (Premiums and Interest paid beyond December 31, 1944.)
Policy Loans ..... 656,008.86 (All secured by Cash Values in the policies.)	Accounts Payable ..... 6,139.37 (All current accounts payable in 1945.)
Interest Due and Accrued ..... 28,314.92 (Interest Due, \$1,212; Accrued, \$27,108.)	Reserve for Taxes Payable in 1945 ..... 21,074.54
Premiums Deferred and in Course of Collection.... 249,548.79 (Premiums in process of collection and premiums required to complete the present year. A like amount is included in the reserve liability.)	Mortality and Asset Fluctuation Fund ..... 55,304.08 (Amount voluntarily set aside by Company to absorb extra war deaths and changes in asset values.)
Total Assets ..... \$7,071,136.79	Capital Stock... \$500,000.00
*Market Value over above listed Book Value: Stocks, \$128,831.50; Bonds, \$47,531.83	Unassigned Surplus ..... 550,000.00
	Total Surplus for Policy-owners ..... 1,050,000.00
	Total Liabilities ..... \$7,071,136.79

### FINANCIAL GROWTH OF THE COMPANY

YEAR	TOTAL INCOME	POLICYHOLDER'S ADMITTED SURPLUS	ASSETS
1928	\$ 101,796.66	\$ 182,400.00	\$ 213,292.78
1930	616,143.36	242,928.00	806,649.69
1932	699,697.95	248,535.00	1,575,414.73
1934	891,848.53	385,300.82	2,066,341.22
1936	820,575.20	479,253.32	2,546,283.98
1938	907,502.48	510,000.00	3,335,450.25
1940	1,022,702.25	600,000.00	4,328,592.19
1942	1,119,732.39	650,000.00	5,371,999.10
1943	1,349,930.80	900,000.00	6,219,402.93
1944	1,461,620.26	1,050,000.00	7,071,136.79
TOTAL INSURANCE IN FORCE DECEMBER 31, 1944			34,212,319.00
TOTAL PAID POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION			3,704,142.50

## SALES IDEAS OF THE WEEK

# Finds Juvenile Business Is Essential for Producer

The bulk of the new life insurance in this country in the next 20 years will be written on the children who are now under 20 years of age, and who make up 40% of the population, Francis P. Clish, district manager of John Hancock Mutual in the South Shore district of Chicago predicted in a talk on "Developing the Juvenile Market" at the Saturday sales forum there, sponsored by the Chicago Association of Life Underwriters. There are 24 million children now under age 10.

From the boys and girls as a rule comes from 10 to 20% of the total life business written in the country. The industrial life companies were the first to discover this was a fertile field and next came the fraternals who pushed the juvenile business until today it represents 40% of all the new lives which they write.

### Very Worth While Field

Mr. Clish said juvenile insurance is not a "penny-ante" business as some agents have thought. He said that the juvenile that so far has been placed by the regular life companies has been written without any special effort. The market roughly divides in two groups, children of school age or under, and those old enough to be earning and who are self-supporting. Children of the first class are prospects for father-and-son or father-and-daughter insurance, and the others for regular life insurance which they themselves would pay for. A strong argument for the parent to secure life insurance on his child is that doctors, hospital, death and funerals, cost money. Nothing can liquidate such expenses so inexpensively as life insurance.

Mr. Clish said prospecting is much easier in the juvenile field, for every life agent has a ready-made prospect list of children of policyholders, rejected applicants, prospects and friends. The approach is easier than in adult insurance for any parent is glad to talk about his children. Children much more frequently fit the requirements of a good prospect as they have need not only to

protect their life value but also to make savings possible by beginning the insurance program early; they are usually insurable and their parents usually are able to pay the premium because of the low rate. The juvenile market is less upset by current conditions than almost any other.

### Stimulates Thriftiness

The usual appeal to the father is for him to pay the cost of the policy in the early years and have the child pick it up when he becomes self-supporting. Thrift thus is inculcated in the child. There is little if any less need for a girl to have such an insurance program than a boy. She may marry and have a family, and the low rate now obtainable on her will enable her to carry more adequate insurance for the protection of her family, especially to hire the kind of care for her children she would want them to have if she died.

Starting her program now will give her larger cash equities earlier in life when they may be valuable in helping her young husband get a start in business. The low rate will enable her husband to pay for the protection she should have on her without slighting the protection he must have for the family. If she does not marry she will find business usually forces women to retire earlier rather than at age 65, but later a program that would enable her to retire at 50 or 55 would be too expensive.

### Sharing of Cost Desirable

When the father initiates an insurance program or the life of his daughter he usually must pay all the cost at first but he should plan to share the cost with her as soon as she is old enough to have an allowance of her own, and in the case of older daughters the premium should be carried from the first even if her part is made possible only by increasing her allowance. She should be made to feel that she and her father are working together to build this program.

A child's endowment can work wonders, providing the means of a special

education which could lead to a career, laying the ground work for a profitable business, furnishing broadening influence of travel, serving as the first payment on a home for a young married couple, constituting the father's gift to the child on one of their birthdays. There is another class of prospect, the children of fathers who themselves cannot purchase a policy because they are uninsurable. Juvenile insurance in these cases guarantees that some insurance will be in force in the family.

### Protected Savings Plan

Juvenile insurance may be considered a protected savings plan on an installment basis which is capable of paying future expenses. It is a source of ready cash when cash is needed most. A life insurance policy is a splendid dowry for a girl and an excellent marriage gift or graduation present for a boy.

It is one of the most valuable tools in the kit for both the large and small producer. The persistency is good on juvenile policies, the mortality low, and there are few rejections. The juvenile approach often leads to adult business, this being so true that many agents on debit use it in almost all cases where there are children in the family. Unless one of every five calls is made with a view of selling juvenile insurance, Mr. Clish concluded, the agent is overlooking a great opportunity.

### Grow Up with Policyholders

It is axiomatic that agents should sell prospects young and then grow up with them. These young policyholders will look to the agent as their insurance adviser in the years to come. Mr. Clish recommended that agents make and maintain a complete record of names and birthdays of all children in each family group represented by his various customers.

## WOMEN AS PROSPECTS

In years past a woman as she grew older and had no means of support was accepted automatically in the home of some relative but this practice has just about ceased and it is up to women to plan for their own future, Hermine R. Kuhn, field assistant of Manhattan Life at the home office in New York, told the Saturday sales forum of Chicago in a discussion of "The Women's Market." The forum is sponsored by the Chicago Association of Life Underwriters.

She said the war presents great problems to women. There probably will be many girl babies who will never know their fathers. It falls to the mothers to pick up where the government insurance leaves off in the protection of their daughters.

### Job for Life Agents to Do

Life agents can perform a valuable service by indoctrinating in these women the rudiments of planned saving and spending and the importance of having funds sufficient to build strong bodies and permit normal reactions and education so the children will not be handicapped physically or mentally.

Miss Kuhn said another problem that must be met by the young women in this country is that their husbands may come back shattered in mind and body and the women for the time being must take over responsibility for their children's present and future. The agent should show the women the importance of child insurance so there will be financial resources for the child to fall back on in case the mother should die or become uninsurable.

### 'Teen Age Problem

The 'teen age girl of today will be harder hit than the infant, Miss Kuhn commented, for she will become the forgotten generation, as happened in the last war. The boys they would have married in normal times may not come back from war or will come back disabled beyond hope of becoming self-

supporting. These 'teen age girls soon will be faced with the necessity of earning their own living, possibly for the rest of their lives, and any insurance they may own will be a stepping stone toward a secure future.

Many fathers will try to educate their daughters so they will be able to step into the business and therefore agents should sell insurance on the father's life in case he should die so the daughter will be able to carry on the business.

War also has lessened the chances for marriage of girls in their 20s. These offer an untapped market. They too may become part of a father-daughter business combination. The young working women have the same insurance needs as men and none of these possibilities should be overlooked.

### All Women Good Prospects

Women are doing every conceivable work and all classes are good prospects. Every self-supporting girl needs some sort of cleanup insurance; most women are anxious to secure some form of retirement income; many have a younger sister or daughter whom they may want to help through school and could be interested in an educational policy; a few might be faced with necessity of providing an income for ill or elderly parents, and the young women in the home are another fertile field for insurance.

The opportunity for women to marry decreases 50% by the time they reach age 30, Miss Kuhn said. These women should be easily solicited on the approach of establishing security for themselves. The single women in the 20s are usually in an executive position, and especially now because the younger men who would normally hold down these posts are in war service. These women have substantial incomes, and, knowing their chances for marriage within the next few years are small, will be more than eager to put aside a certain portion of their income to provide for their future.

### Widows Have Tax Question

Within this age group are many women who have married but have been left widows. Some of these will be well provided for either through inheritance from a father or a husband, but if they expect to have their estate go on to their children, because of the double taxation the only means they have to accomplish this would be through life insurance.

Women in their 50s face much the same situation as many of them will be widows. They find themselves suddenly confronted with problems hitherto unknown to them. A life agent can locate such women through items in the newspaper, legal journals, notices of grant of letters testamentary, through attorneys and trust men, notices of real estate sales, and so forth.

A woman who purchases property may need mortgage insurance and sometimes her entire investment program will have to be revised. If she is the seller then she has an investment problem which may be solved through life insurance or annuities. Many stockholders and officers in corporations recently have transferred some of their stocks to their wives under the gift exemption on account of the large inheritance tax problems which their estates would have to face, but if the wife should die there would be a tax problem as well as one of last expenses.

### Women in Partnerships, Professions

Then there are women who have become partners in business because of death of their husbands or other near relatives and these are unusually good prospects. There are women attorneys and certified public accountants who probably need life insurance and also handle the accounts of other women and can serve as fine centers of influence.

The great problem of low return on investments and high tax rates was discussed by Hilbert Rust, vice-president

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of Research & Review, Indianapolis. He showed that a new investment policy is needed to meet current conditions, and that life insurance ideally fits the present need.

Mr. Rust touched upon life insurance as a solution for the financial problems of professional men and to provide them assured incomes in later life; the use of life insurance as a flexible means of fitting the varying needs of a man as he grows older, and the annuity for guaranteed old age income and minimizing of income tax.

## Drill and Rehearsal Prime Success Factors-Kenagy

NEW YORK—In no other business except life insurance do people rely on chance to reach their objectives; they carefully rehearse in advance, whether it is the pulpit, radio, art, or national advertising. H. G. Kenagy, superintendent of agencies Mutual Benefit Life, told the New York City Life Underwriters Association educational course. He emphasized the importance of continuous drill and rehearsals, showing how constant practice makes for success both in life insurance and other fields. Following his talk, H. F. Silver, Mutual Benefit, described how he used the points discussed by Mr. Kenagy in a practical manner, stating that they saved time, lightened his work and make it more effective.

### Do Three Simple Things

Mr. Kenagy urged agents to do three simple things: Put down on paper the best sales presentation he is capable of producing, make the story second nature by constant drill and practice until delivery becomes natural and easy, and retain the skill by constant practice at home or in the office. This procedure is followed in every line of endeavor where skills count, he declared. It is only a slight difference in skill which separates the average man and the man at the top.

Life insurance is a grown-up business and practically all the objections raised today were made originally 90 to 100 years ago. We have little intelligence if we haven't learned how to answer them. All the common objections were found by Mr. Kenagy in a book on answering objections published in 1849. The only ones the present day agent doesn't have to meet are that life insurance is against religion and life insurance is a gamble.

In his 25 years experience listening to sales talks, Mr. Kenagy said every salesman listened to long enough has a standard sales talk; 95% of what we do is habit and only 5% is adaptation to daily situations. If nothing has embarrassed a person all day long, he is functioning 100% on a habit basis.

Just a good, average man, working skillfully, will get unusual results.

V. B. Coffin, vice-president and superintendent of agencies Connecticut Mutual, will conclude the series on March 8.

### Can't Tax Dividends in Iowa

DES MOINES—The Iowa supreme court ruled the insurance department cannot collect premium tax on dividends used to provide additional accelerated endowment insurance. Mutual Benefit Life sought refund of \$378 paid in such taxes in 1943. The court previously had ruled in a Prudential case that the department could not collect premium taxes on dividends used to purchase additional insurance. Mutual Life case involved accelerated endowment insurance.

P. W. Wolf, who has been a first lieutenant in the army, has again become assistant manager of the Detroit downtown branch of Manufacturers Life under Manager W. M. Milligan.

## LEGAL RESERVE FRATERNALS

### Laying Plans for Fraternal Week

"Protection for You in War and Peace" was selected as the slogan for National Fraternal week May 20-26 by the committee of the National Fraternal Congress which is planning for the observance at a meeting in Rock Island, Ill. Tentative plans previously were outlined to the N.F.C. executive committee by H. L. Rosenblum of W.O.W., Omaha, chairman for the week, at a meeting in Chicago and were approved.

A feature of the observance is the effort to have unified participation in the seventh war loan drive which is scheduled to start late in May. Individual societies have been active in previous war loan drives but heretofore there has been no effort to coordinate these activities on a nation-wide basis. During Fraternal Week the committee hopes to have all societies, local lodges and members participate in putting over the drive.

The committee has sent a letter to the presidents of societies requesting that an effort be made to keep records of all purchases of war bonds and stamps by fraternalists in the week to be forwarded to the N.F.C. headquarters office in Chicago for compilation by Manager Foster F. Farrell and his staff so the data may be used in the public relations program of the N.F.C.

The Fraternal Week address is being prepared by Thomas R. Heaney, past president of N.F.C. and head of Catholic Order of Foresters, Chicago. It will be distributed to societies' monthly publications.

The committee plans to offer illustrated copies of the slogan "Protection for You in War and Peace" in sticker and poster form for sale at cost to societies.

At a meeting of the Utah Fraternal Congress, a motion was adopted to ask Governor H. B. Maw to proclaim May 20-26 as Fraternal Week. A. E. Konold, past president, was presented a past president's badge by Mrs. S. P. May, past president.

### Polish National Report Released

The report of an examination of Polish National Alliance as of June 30, 1943, has just been released. The examination was conducted by Illinois, Kansas, New Hampshire and Pennsylvania. On that date assets were \$32,261,552, certificate reserves \$29,745,064 and unassigned funds \$989,105. The examiners state that the cash position is well maintained and surplus funds are being currently invested in income producing securities. Claims are promptly and equitably adjusted. Since the date of the previous examination June 30, 1940, Polish National had reduced its holdings in real estate, excluding real estate sold under contracts, from \$14,767,530 to \$2,347,482. I. K. Rozmarek is president; A. S. Szczerbowski, general secretary, and M. Tomaszewski is treasurer.

In the adult department there were 236,433 members and the amount of insurance was \$143,846,663. In the juvenile department there were 41,656 members and \$21,678,596 insurance.

The report refers to the Polish National Alliance case against the national labor relations board which was decided adversely to Polish National by the U. S. Supreme Court in a companion decision to the S.E.U.A. case.

The examiners set up a liability of \$20,000 which they state is more than sufficient to pay all claims and attorneys' fees and costs in connection with this case.

Acting Insurance Director Parkinson of Illinois in approving the report ordered that mortality charges and certain investment expenses improperly allocated at the time of inception must be

corrected; an effort should be made to dispose of the old home office building and Immigration Home, both of which are showing yearly losses by their retention; title policies or attorneys' opinions must be secured on all parcels sold under contract of sale; funds of the youth department, educational department and the Polish Veterans Fund must be recorded on the general books of account; juvenile memberships and their respective reserves must be transferred to adult department at age 16.

### Bill in Michigan to Revise Fraternal Code

LANSING, MICH.—A bill has been introduced in the Michigan house for extensive revision of the insurance code section relating to fraternals—the out-

standing change being legalization of the writing of juvenile life coverage.

Fraternals would be permitted to offer benefits on the lives of children under 18 but funds to pay losses would be segregated from those required to meet claims on adult members. Specific provisions are set out for operation of children's branches and modernized investment requirements are set up.

The bill also empowers the insurance commissioner to postpone meetings of the supreme governing bodies of fraternals during wartime. The measure is understood to have been drafted by the insurance department.

Dr. B. T. D. Schwarz, vice-president and medical director of Bankers National Life, has been notified by the War Department that his son, Eric B. Schwarz, was killed in action in Germany Feb. 18. He was with the 26th (Yankee) division, under General Patton.

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### Facts from 1944 Statement

Assets .....	\$ 63,420,543.44	Increase	\$ 2,684,329.01
Insurance in Force .....	247,560,900.00	Increase	11,663,670.00
Premium Income .....	8,116,841.76	Increase	1,126,537.56
Contingency Reserve and Surplus .....	5,020,871.98	Increase	282,763.31

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## PENNSYLVANIA

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## Aetna Has Kasche Bros. at Milwaukee

Harold E. Kasche and his brother, Ernest P. Kasche, have been named general agents for Aetna Life at Milwaukee. Harold Kasche has been general agent at Springfield, Mass., and Ernest Kasche has been a supervisor in the Milwaukee agency. The new agency will be known as Kasche & Kasche and will succeed the Albert E. Mielenz agency. Mr. Mielenz died Feb. 14.

Harold Kasche was born at East Hartford and was educated at the Bentley School of accounting and finance in Boston. He joined Aetna Life in 1925 in the audit department and was named cashier at Detroit in 1926. He was transferred to Milwaukee in 1927 and to Philadelphia in 1928. He was promoted to brokerage supervisor in 1930 and to agency supervisor in 1938. In 1943, he was named general agent at Springfield. He is a former director and second vice-president of the Philadelphia Life Underwriters Association.

Ernest Kasche was also educated at the Bentley School. He also joined Aetna Life in 1925 in the home office audit department and in 1927 was named cashier at Kansas City. The following year, he was transferred to Milwaukee and, in 1931, he was named a supervisor in this agency.

### Metropolitan Makes Changes

J. M. Shaughnessy has been appointed manager and named to succeed H. S. Nutting for Metropolitan Life at Pittsfield, Mass. Mr. Nutting has been transferred to Palmer, Mass.

Mr. Shaughnessy joined Metropolitan at Marlboro, Mass., in 1925. He was appointed an assistant manager at Worcester, in 1934, a position he held until his promotion to general assistant manager for New England territory in 1937. Subsequently he was made sales instructor and field training supervisor for that territory.

J. J. Black, formerly assistant manager, has been appointed a manager and will take charge of the Parkchester (New York City) office.

Mr. Black joined Metropolitan in New York City in 1935. He was made an assistant manager in 1937 and served in that capacity in another New York City district until his recent promotion.

### Equitable FBI Broadcasts

Equitable Society is inaugurating a series of coast-to-coast radio broadcasts, keyed to the theme of security for the families, homes and businesses of America. The programs will present dramatizations of actual cases from the files of the federal bureau of investigation and will be titled "This Is Your FBI." They will acquaint the public with the job the FBI is doing—paralleling the protection Equitable provides in the realm of financial security. FBI is cooperating officially.

The series begins April 6 and will run from 8:30 to 9:00 p.m. E.W.T. over the Blue Network.

### Van Patten Returns to Old Post

Cornelius C. Van Patten, who was honorably discharged from military service in the early part of February, has returned as treasurer of Security Mutual Life of Binghamton. Prior to entering the service nearly three years ago, Mr. Van Patten was treasurer for five years.

### Crandall Most Valuable Agent

Earl M. Crandall, Salt Lake City, has been named Lincoln National Life's "most valuable agent" for 1944. Runner-up was C. E. Harrison, Fort Wayne, Ind. The award is based on total production, persistency, and average size of policy.

Mr. Crandall was third last year. His name will be carved in the limestone wall of the home office lobby.

## Sharp Reduction in Real Estate Holdings in 1944

Real estate sales of nearly \$300,000,000 during 1944 reduced total real estate holdings of the life companies to \$1,100,000,000 at the year end, of which \$210,000,000 is property under contract of sale and over \$250,000,000 is home office properties, according to the Institute of Life Insurance.

The net holdings of foreclosed properties exclusive of those under contract for sale have been reduced to approximately \$640,000,000. Of the nearly \$3,000,000,000 taken over during the depression, well over two billion dollars worth of farm and city properties have been rehabilitated and returned to individual ownership. Nearly a billion dollars worth of these were sold during the three war years.

Of the total 1944 sales approximately \$100,000,000 were farm properties and \$200,000,000 were city properties. In addition, at year end the life insurance companies held \$120,000,000 farms and \$90,000,000 city properties under contract of sale, leaving net holdings of \$130,000,000 in farms and \$510,000,000 in city properties, exclusive of home office properties.

## Honored in Diamond Anniversary Drive

Eugene O. Burget, president Peoples Life of Indiana celebrated his 75th birthday in January and field men honored him by a production campaign. Mr. Burget has spent more than 37 years with Peoples Life. He was secretary and general manager until 1926 at which time he was elected president to succeed Andrew A. Laird, the first president who retired to become board chairman. Mr. Burget has been active in the American Life Convention and the Indiana Association of Legal Reserves Life Insurance Companies. He is also board chairman of Secured Casualty of Indianapolis and an active director in Secured Fire & Marine and Secured Underwriters of Indianapolis.

### Appeal Lutheran Mutual Injunction

Directors of Lutheran Mutual Life have appealed to the Iowa supreme court to set aside an injunction granted by the lower court to restrain the company from moving its headquarters from Waverly to Des Moines.

Three policyholders obtained the injunction on the grounds that the directors had failed to submit the proposal to move to Des Moines to the policyholders.

### Philadelphia Cashiers Meet

The Life Insurance Cashiers Association of Philadelphia at a meeting there heard Geoffrey De Freitas, squadron leader of the Royal Air Force.

The new president, Frank K. Wildermuth, cashier of the Northwestern Mutual, presided with the following new officers present: Carlton F. Woodward, Prudential, vice-president; Claire McNichol, Adams agency John Hancock Mutual, secretary, and Anna M. Finerty, Rice agency Prudential, treasurer.

At a meeting recently Paul S. Miller, executive secretary of the Pennsylvania Association of Life Underwriters, spoke. Mr. Miller helped organize the cashier's association in Omaha 10 years ago.

The book every A. & H. man should read—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.

### Results on Disability, Double Indemnity and Annuities

(CONTINUED FROM PAGE 2)

	Annuities
Aetna Life	\$ 2,129,330
Canada (U. S. Br.)	73,010
Columbian National	47,902
Connecticut General	1,050,000
Equitable Society	14,309,770
Equitable, Iowa	38,423
Farmers & Traders	4,503
Fidelity Mutual	140,614
Guardian, N. Y.	466,405
Home, N. Y.	50,035
Manhattan	4,134
Mass. Mutual	8,121,950
Mass. Protective	1,143
Metropolitan	4,422,321
Monarch	1,187
Mutual Benefit	1,010,496
Mutual, N. Y.	953,476
National, Vt.	500,000
New England Mutual	406,501
New York Life	28,500,000
Northwestern Mutual	5,934,417
Penn Mutual	752,758
Phoenix Mutual	1,294,300
Postal	8,698
Provident Mutual	1,354,746
Prudential	8,931,703
Security Mutual	4,940
State Mutual	596,000
Teachers	423,675
Travelers	6,731,300
Union Central	93,235
Total, 1944	\$ 88,356,972
Total, 1943	79,531,882
Total, 1942	67,208,996
Total, 1941	44,570,744
Total, 1940	12,849,301
Total, 1939	15,016,271

### Disability

	Disability
Equitable Society	\$ 4,855,818
Fidelity Mutual	295,040
Guardian, N. Y.	159,239
Metropolitan	2,504,000
Mutual, N. Y.	644,931
New York Life	9,300,000
North American Re.	14,545
Penn Mutual	242,272
Phoenix Mutual	89,453
Provident Mutual	499,752
Security Mutual	22,513
State Mutual	100,000

### Double Indemnity

	Double Indemnity
Colonial	\$ 1,375
Equitable Society	596,865
Fidelity, Iowa	166,000
Fidelity Mutual	22,416
Guardian, N. Y.	47,339
Manhattan	7,207
Mutual, N. Y.	499,844
New York Life	2,300,000
Penn Mutual	117,343
Provident	9,550
Prudential	18,411,813
Security Mutual	12,946

Total, 1944	\$ 22,192,498
Total, 1943	1,587,239
Total, 1942	1,913,451
Total, 1941	2,562,380
Total, 1940	1,406,656
Total, 1939	3,462,669

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## A Report of Progress

### TO PROVIDENT MUTUAL FAMILIES THROUGHOUT THE NATION

#### 80th ANNUAL STATEMENT

<b>ASSETS</b>	
U. S. Government Bonds . . . . .	\$156,375,675
Other Bonds . . . . .	197,467,043
Mortgages on Real Estate . . . . .	53,626,200
Stocks . . . . .	14,773,980
Loans on policies . . . . .	22,674,823
Real Estate . . . . .	16,658,829
Cash in banks and office . . . . .	3,548,595
Accrued interest . . . . .	3,558,651
Overdue interest . . . . .	342,437
Deferred and uncollected net premiums, etc. . . . .	5,211,033
<b>Total admitted assets . . . . .</b>	<b>\$474,237,266</b>

<b>LIABILITIES</b>	
Reserves for policies and supplementary contracts . . . . .	\$421,619,310
Dividends left with company . . . . .	10,241,185
Dividends set aside for distribution in 1945 . . . . .	3,920,000
Premiums paid in advance . . . . .	5,085,407
Policy claims . . . . .	1,977,555
Estimated taxes accrued, payable in 1945 . . . . .	962,857
Miscellaneous liabilities . . . . .	590,283
Special reserves . . . . .	3,412,073
<b>Total liabilities . . . . .</b>	<b>\$447,808,670</b>
Contingency reserves . . . . .	26,428,596
<b>Total, equaling the assets . . . . .</b>	<b>\$474,237,266</b>

NOTE: The Company in December, 1944, subscribed for \$47,000,000 of United States Government bonds to be settled for in 1945, of which \$20,000,000 were taken up by banks and are being held by them for the account of the Company.

Provident Mutual moved forward again in 1944 despite the changes wrought by the war and despite manpower shortages in the agency force and at the Home Office. In 1944 our policy owners who make up this progressive institution:

1—PURCHASED \$72,052,000 new Provident life insurance, an increase of 22% over 1943—

2—INCREASED their outstanding insurance to a new high of \$1,089,170,000, a gain of approximately 34 millions, almost double that of 1943—

3—INCREASED the assets of Provident Mutual to a new high of \$474,237,000—while liabilities stand at \$447,808,000, leaving contingency reserves amounting to \$26,429,000—

4—DECREASED lapses and surrenders to an all-time low of 1.1% of insurance in force.

Provident Mutual's holdings of United States Government bonds were increased last year to 156 million dollars, or one-third of its total investments.

Other Provident millions are helping to finance American railroads, public utilities, homes and essential industries.

In 1944 the Company also invested a moderate portion of surplus funds in the common stock of seasoned American companies.

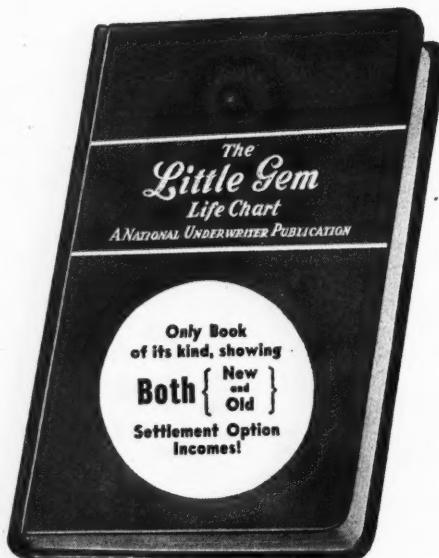
Thus, through their activities—and through their dollars—Provident policy owners are helping make America strong. They are foresightedly looking ahead to the days when their consistent efforts will be rewarded by peace and security.

M. ALBERT LINTON, President

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### MANY SWEEPING CHANGES

Among the companies that have made important changes are the American United, Bankers Life, California Western, Canada Life, Columbian National, Connecticut Mutual, Continental American, Equitable Society, Fidelity Mutual, Guardian Life, Home Life, John Hancock, Life & Casualty, Lincoln National, Metropolitan (Juvenile) Mutual Life, New York Life, Northwestern Mutual, Occidental, Ohio National, Pacific Mutual, Penn Mutual, Phoenix Mutual, Prudential, Reliance Life, Sun Life and Union Central. TO BE RIGHT YOU MUST HAVE NEW UP-TO-DATE INFORMATION.

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